

Mrs Thatcher denies disarray in Cabinet

The Prime Minister said last night that there were arguments within the Cabinet but only about timing, not strategy. Mrs Thatcher said she was prepared to give the Government's industrial relations proposals a chance but if they did not work, she would have to try going further.

Arguments on timing, not strategy

By Michael Hatfield
Political Reporter

After a month of apparent disagreement among some ministers and unease among backbenchers, Mrs Margaret Thatcher said on television last night that the Cabinet was not in disarray.

At the same time, the Prime Minister revealed that Mr James Prior, Secretary of State for Employment, had apologized for unparliamentary remarks that appeared to undermine the position of Sir Charles Villiers, chairman of the British Steel Corporation. The inference was that Mr Prior had been given a second chance.

Questioned on Panorama on BBC television, Mrs Thatcher said: "If I had a Cabinet of 'yes men' and sycophants, you would be the first to attack me. Yes, we do have arguments."

She told Mr Robin Day, the interviewer: "You have argued with me over the years and I love an argument. I am right in the middle of it. I expect to argue, and when we come to a decision to lobby the public, we will be the first to attack me. Yes, we do have arguments."

When the Prime Minister was reminded that before the election she had said she could not waste time in being involved in internal arguments, Mrs Thatcher replied: "We don't have arguments about strategy. We only have arguments about the timing and just how far we can go immediately."

That appears to have been the case over the Government's approach to industrial relations reform, for Mrs Thatcher said she was prepared to give the Government's present proposals a chance, but if they did not work, they would have to try going further.

When her attention was drawn to newspaper comments that she was a weak prime minister and that Mr Prior should have been dismissed or carpeted for his remarks about Sir Charles, Mrs Thatcher replied: "Well, I don't think that weakness is a description which will enable many of my colleagues to recognize me. Good heavens, if you are going to kick up a terrible fuss over one mistake, it doesn't really seem to be fair, does it?"

"We all make mistakes. I think it was a mistake and Jim Prior was very, very sorry."

Anonymous Tory critic of Government owns up

By George Clark
Political Correspondent

Having admitted that he was the anonymous Conservative who wrote an article in *The Observer* on February 10 criticising Mrs Thatcher and the direction of government policies, Mr Julian Critchley, MP for Aldershot and chairman of the party's media committee, yesterday stood by his criticism of Mrs Thatcher as being "didactic, tart, and obstinate."

Interviewed in Independent Television's *News at One*, Mr Critchley claimed that he was expressing anxieties shared by other Tory MPs, certainly other "running men" more than doubtless "who had grave doubts about the direction of the Government's policy."

Depressing economic outlook for two years

By David Blake

Treasury economists have warned Sir Geoffrey Howe, the Chancellor, that output in Britain may fall by as much as 3½ per cent in 1980, and a further drop in 1981. In one of the most depressing pre-Budget economic assessments ever made.

They have also given a warning that even if the Chancellor decides not to raise personal tax allowances, the Government faces a deficit next year of £3,500m.

The forecast for the drop in output foresees such a severe recession over the year ahead that it has started a new round of soul-searching within the Treasury about the forecasting techniques used to predict the future. It is felt by critics of the latest forecast that it errs so heavily on the side of pessimism that it ought not to be published in its present form.

The Government is committed to producing a forecast for the economy at the time of the Budget and it seems unlikely at present that this published forecast will talk of an output fall as large as 3½ per cent.

The forecast has been drawn up on the assumption that the Government gives none of the increased personal tax allowances which would occur under the "Rooker-Wise" amendment, which commits the Government to raising allowances in line with the inflation rate.

It is also assumed that indirect taxes on things such as drink, tobacco, and petrol are not increased with inflation.

These assumptions could turn out to be of some importance in policy formation. It is known that serious thought is being paid to the idea of withholding the Rooker-Wise concessions this year to cut down on the public sector borrowing requirements (PSBR).

Fears about the inflationary impact of increasing indirect taxes are also being used as arguments against putting more duty on drink and tobacco. Giving higher personal allowances would cost the Exchequer about £2,000m if the Rooker-Wise amendment was administered in full.

The central forecast prepared for the Chancellor assumes that wages will slow down next year, with the average earnings index rising by about 12 per cent. But ministers have asked for and been given forecasts on different pay assumptions as well.

On a slightly more pessimistic assumption that wages will rise of inflation, they have looked at the prospect of earnings rising by 14 per cent and there has also been a forecast on the assumption that wages will rise by only 8 per cent during the next pay round.

One of the most worrying features for ministers is likely to be that output is expected to perform badly next year as well. It is not until 1982 that the forecasters believe there will be an improvement. However, it is expected that inflation will start to come down rather sooner.

The likelihood of a very serious recession is being questioned by some senior members of the Treasury team. It is pointed out that although the recession has been well advertised for this year, so far it shows little sign of arriving. The fact that real incomes have been rising has led to reasonable buoyancy of consumer demand.

Companies seem to have been willing to borrow to carry on trading rather than trying to cut back too quickly.

Two crucial questions are the likely path of exports and stock levels within companies. Exports are being depressed by the high value of the pound, but it is felt by some economists that companies which are highly capitalised will be able to accept lower profit margins rather than cut back on sales.

It is also argued that the rest of the world may not experience such a dramatic downturn as forecasters such as the Organization for Economic Co-operation and Development (Oecd) have been predicting.

However, Mr Mugabe stopped short of threatening to withdraw from the Lancaster House agreement. He said that despite the alleged violation he would keep his 16,500 Zanu guerrillas in their assembly areas "out of a sense of moral duty to my people to avoid precipitating further conflict".

He ended the letter by assuring Lord Carrington of his determination to ensure peace and the success of this week's election.

Despite some strong language used in the letter, it now seems that the clash which appeared imminent between Mr Mugabe and Lord Soames has been averted, at least until after the election.

While Mr Mugabe, clearly confident he will win power through the ballot box, has emphasized his determination to go ahead with the election, it seems equally certain that Lord Soames will not make any further use of his powers to ban a party from taking part in the poll in areas where there is political intimidation.



The Rt Rev Robert Runcie being installed as Archbishop of Canterbury. Report, page 14.

Union leaders to boycott British Steel ballot

By Paul Routledge
and Peter Hill

Steel union leaders last night adopted a hard-line policy to boycott an employers' ballot of the striking British Steel Corporation workers and to reinforce the faltering shutdown in the private sector.

The executive of the Iron and Steel Trades Confederation, angered by increasing defiance of strike instructions, decided to try to stiffen its industrial offensive in the privately owned steelworks. The Shearness rebels will be expelled from the union altogether.

The first step in reimposing the confederation's falling authority will be a conference in London on Friday of private sector delegates, excluding those who represent steelmen still at work, and the union's national executive.

The steelworkers' leaders, conscious that the strike is at a watershed, will call for greater loyalty to the union from members employed in the private

steelmaking sector, without a short discussion about the powerful Transport and General Workers Union to extend blacking at ports and in road transport will fall on deaf ears.

Mr William Sirs, general secretary of the confederation, last night met senior civil servants to outline the latest developments in the eight-week-old strike. He is understood to have appealed for their help in changing the Government's apparent inflexibility over a rearrangement of state funding of British Steel so that a settlement could be financed out of deferred plant closures.

Mr Sirs said of the proposed employers' ballot: "Members should ignore it. It must naturally have a biased result."

The 600 confederation members at Shearness Steel who are to be expelled for not joining in the strike at the private sector, would have seven days to appeal, Mr Sirs said.

He was caustic about the sudden turn of events. The

steelworkers' leaders had had a short discussion about the exploratory talks on a peace formula designed to end the strike and were "amazed" to receive the letter from Mr Robert Scholey, the chief executive, telling them that there would be a ballot of the industry's workers.

The proposal was "entirely inconsistent with good bargaining". The results would be inconclusive, because most people would not take part in it, and voting papers would go to many employees not directly involved in the dispute.

Asked if he thought British Steel was trying to break the strike rather than settle it, Mr Sirs replied: "Obviously."

He said of the talks with British Steel on the plant closure programme that the industry's management had been of no help and had maintained its position on the scale of the industry's support.

It had agreed only to defer the March 31 operative date for

closures on the grounds that a flood of orders would come in as soon as the strike was settled.

British Steel's proposed secret ballot of its 150,000 workers on strike is expected to be held by the end of next week. It would be conducted by the Electoral Reform Society and the steelworkers would be asked: "Do you think there should be a ballot on the 'pay offer'?"

Corporation executives had been encouraged in taking this step by the success of Sir Michael Edwards, chairman of BL, and believe that there was a growing feeling among workers in support of either a ballot or acceptance of the

offer.

The judge awarded costs, which are expected to be from £15,000 to £20,000, to the London boroughs, and said Mr Jenkin had acted in good faith; given the advice he received, his action was not unreasonable.

The advice, however, was seriously misleading and Mr Jenkin misinterpreted it. It ruled out the possible use of another section (17) of the Act, which would probably have avoided use of the emergency powers, on grounds that were far too narrow and superficial.

Mr Jenkin failed to give proper consideration to those other powers, under which he could have ordered the authority to approve specific proposals for cuts, and if it then refused, he could have declared it in default and replaced its members.

Parliamentary report, page 10
Law report, page 21

NCO-led rebellion in Surinam

Paramaribo, Surinam, Feb 25.

Non-commissioned Army officers claimed today to have taken control of Surinam, formerly Dutch Guiana, and to have deposed the democratically-elected government of Mr Henck Arron.

Two military policemen and two civilians were killed during the rebels' seizure of the main post office in Paramaribo, the army, the military fort at Zeelandia and the offices of the Dutch newspaper.

The businessmen, said to number 150, also used a navy patrol vessel to shell the police headquarters and set fire to it.

Two Army sergeants, identified only by their family names, said they had been ordered to station to announce that they had set up a national military council to take over the administration. They appealed to "all right-minded citizens" to support the military council.

Mr Patrick Jenkin, Secretary of State for Social Services, acted unlawfully in invoking emergency powers to appoint commissioners to run an area health authority which refused to make spending cuts, a High Court judge ruled yesterday.

Justice Wood said that Mr Jenkin had misdirected himself as to the true effect of the emergency powers outlined in section 86 of the National Health Service Act, 1977, and failed to exercise his discretion properly in deciding to use them.

Mr Jenkin is expected to make a statement on the ruling in the Commons today after MPs called for an explanation.

Five commissioners were appointed last August to run the Lambeth, Southwark and Lewisham Area Health Authority after it had voted to refuse to implement spending cuts and Mr Jenkin had suspended its powers.

Members of the three London boroughs who had challenged the legality of Jenkin's action on behalf of the area health authority called the judgment a "total victory."

Mr Nicholas Grant, whose motion led to the suspension of the authority's powers, said: "It is a complete vindication of the action we took that day. The arbitrary action of the Secretary of State has been checked and an important principle established."

He called on Mr Jenkin to remove the commissioners soon so that the suspended authority members could resume their powers from the start of the financial year.

It is not yet known whether Mr Jenkin, who asked yesterday for a transcript of the judgment, will appeal, but Mr Justice Wood said he thought it likely. In the meantime, he said, he thought it would be in the public interest for the com-

Mr Jenkin unlawfully suspended health authority, judge rules

By Frances Gibb

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Parliamentary report, page 10
Law report, page 21

Mugabe-Soames clash is averted despite claim that British are violating pact

From Nicholas Ashford
Salisbury, Feb 25

Mr Robert Mugabe, leader of Zanu (PF), has sent a strongly worded letter to Lord Carrington, the Foreign Secretary, protesting at what he describes as the "flagrant violation" of the Lancaster House agreement by the British Administration in Rhodesia.

In it he says that a series of "irregular and blatantly unconstitutional acts" by Lord Soames, the Governor, have seriously prejudiced the ceasefire agreement.

However, Mr Mugabe stopped short of threatening to withdraw from the Lancaster House agreement. He said that despite the alleged violation he would keep his 16,500 Zanu guerrillas in their assembly areas "out of a sense of moral duty to my people to avoid precipitating further conflict".

He ended the letter by assuring Lord Carrington of his determination to ensure peace and the success of this week's election.

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Researcher exposes forgery of Titians

By Geraldine Norman

An art forger whose work has passed for Titian's for over 400 years has been exposed by Dr Peter Dreyer, an art historian and deputy keeper of prints and drawings at the Prussian State Museum in Berlin. His discovery is published in *Pantheon*, the German art magazine.

He has demonstrated that a group of nine drawings hitherto attributed to Titian or his circle are the work of a forger, almost certainly a man working for the Venetian firm which published Titian's woodcuts in the early sixteenth century.

Included among them is the famous "Forest Landscape" in the Metropolitan Museum in New York, hitherto considered one of Titian's most successful landscape drawings.

The Metropolitan purchased its drawing at Christie's in 1908 and it has been proudly reproduced in all the major works on Titian since then; but it is by no means alone among leading museums in owning works by the forger.

There is a landscape in the National Gallery of Scotland, another in the Städtisches Kunstinstitut in Frankfurt, two in the Louvre and two in the collection of Christ Church College, Oxford.

The drawings are based on Titian's woodcuts. The forger appears to have got hold of a woodcut block after hours, inked in only one or two details and made a print. Then he has pressed a damp sheet of paper against the print so as to come up with a mirror image of the detail.

All the drawings are based on details from the woodcuts printed in this way, extended in pen and crayon by the forger.

Dr Dreyer made his discovery after studying the landscape drawing in the Frankfurt collection, the least successful of the forgeries. It could have been the first of them, he suggests, done perhaps as a joke, and whose success pointed the way to producing such drawings more seriously.

In the well-known Titian woodcut of the "Nativity", a landscape is glimpsed between the props that hold up the roof of the stable. It is solely that landscape the forger has used, leaving out the holy family, cow, donkey, stable, etc. He has had to extend the landscape where it is obscured by the stable and has added two figures in the foreground.

That this so-called drawing is a counterfeit taken from the print and worked up freehand is relatively easy to see. It led Dr Dreyer to look again at all the drawings which repeat details from woodcuts, but in reverse.

Travelling from New York to Edinburgh, Oxford and Paris, gradually the conviction gained; once one was looking for it, it could be seen where the print ended and the drawing began. The evidence that the drawings were made to deceive lies in the fact that they use the woodcut composition in reverse. A legitimate student or copier would have worked direct from the print.

The reversal, however, would have helped to prove Titian's authorship; he and his contemporaries would draw their compositions directly on the

Continued on page 3, col 3

Union wants ban on foreign cars from 1982

A ban on foreign cars from the British market from 1982 other than those assembled in Britain is to be demanded by the Transport and General Workers' Union. The union, which claims work of Leyland Cars' 85,000 manual workers, is also to press for foreign-originated cars assembled in Britain to include 25 per cent locally manufactured content to save the British car components industry.

Lord Justice Lawton said in the Court of Appeal that benefit-cheating was rife and jail was the only adequate penalty, even for first offenders. He refused a man's appeal against a 12-month sentence for claiming £700 while working and handling stolen goods.

A woman police constable saved a male colleague from a brutal beating by rushing Chelsea Football Club supporters to a court on Saturday. She threw herself across him as he lay on the ground and shielded his face from kicks and punches.

Community homes (formerly known as approved schools) provide their charges with abysmal standards of education. A study by the Schools Inspectorate found a shortage of administrative staff, a shortage of specialist teachers and huge variations in staffing.

A look back in anger at Winter Olympics

Lord Killanin, president of the International Olympic Committee, got a rapturous reception when he rallied to the defence of his movement at the closing ceremony of the Winter Games at Lake Placid. Summing them up, our correspondent looks back in anger at 10 days of organized chaos.

'Jail cheats' call
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Kabul arrests 500 and mops up

Kabul radio reported 500 arrests after the uncovering of Pakistani and American agents. One in five of the city's shops reopened and mopping-up Afghan troops removed the stone barricades erected over the weekend.

Le Monde vote put off
The 180 journalists of *Le Monde* failed to choose their next editor-in-chief despite one and a half days of meetings and three polls. The decision has been referred to a meeting to be held within three months.

London Transport: Automatic ticketing, intended to save money throughout the Underground, may be scrapped because of government spending cuts.

Bicycle ban: British Rail begins to back-pedal and is accused of producing a recipe for confusion.

Peking: Mr Deng steps down as China's Army Chief of Staff.

Leader page, 13

Letters: On unions and law, from Mr P. Phillips, and others; rates, from Commander D. B. D. Merrin, RN (ret.); foisting EEC bill, from Mr M. A. Colm.

Leading articles: The Cabinet; Egypt and Israel.

Features, pages 9, 12
Bernard, Levin on the plight of Jews in Russia; John Young on the growing threat to the world's forests; Fashion by Prudence Glynn.

Sport, pages 7, 8
Rugby Union: Peter West comments on Welsh RFU statement; French team for match against Ireland; John Player Cup third round draw; Football: Proposal to amend promotion and relegation; Rowing: Profile of Cambridge president.

Arts, page 11
John Russell Taylor finds a revelation of American Prints at the British Museum, and reviews other new exhibitions in London; Paul Griffiths welcomes the intelligence and originality of the expatriate Irish composer Gerald Barry.

Obituary, page 14

Mrs Margaret Ballinger, Mr Eric Lyons, Lord Wilson of High Wycombe, pages 15-20
Stock markets: Equities remained dull and gilts stayed mostly unchanged; the FT index closed 0.5 down at 453.7.

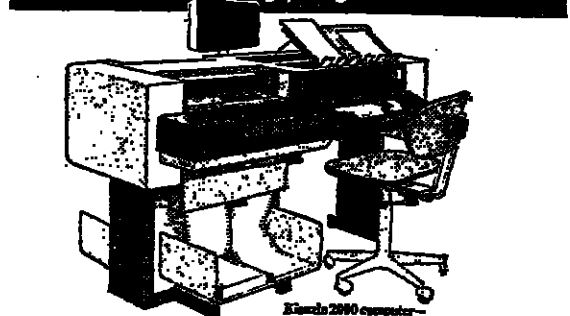
Financial Editor: Speculators in the oil sector; defending the small investor in takeovers.

Business features: Hugh Stephenson on the economic gospel of Milton Friedman; Ken O'Brien on tough budget decisions for Ireland; John Earle on problems of the IMF substitution account.

Business Diary runs in to the Muzak business.

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14 Years Ago
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14 Weather
14 Wills

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HOME NEWS

Court of Appeal judge says jail is 'only way' for benefit cheats

A senior Court of Appeal judge in London yesterday hit out at Social Security cheats and declared: "Even first offenders can expect to go to jail."

Lord Justice Lawton said the habit of working while claiming benefits was "a rife from one end of the British Isles to the other".

"The time has come when we should say firmly that those who deliberately defraud the social security system should expect to go to prison, albeit that they are going there for their first offence," the judge said. He was sitting with Mr Justice Boreham and Mr Justice Parker.

"There is no other adequate way of dealing with this offence. A suspended sentence has no effect whatsoever, it is regarded as a 'let-off'. Fines were inappropriately because the offenders claimed to have no money," he said. Probation was also seen as a "let-off".

"The only possible way of dealing with this class of offence is a loss of liberty," Lord Justice Lawton said. "It does not necessarily follow that loss of liberty should be for a lengthy period."

"Many people take the attitude that it is just bad luck to be caught. Even in my own village in Cornwall I happened to speak to a man who had been injured. He said he had to 'come off the sick' because 'some so-and-so informed on me'."

Somehow or other we have to get this attitude changed."

Refusing an application by a Lancashire man to appeal

Man running taxi business claimed over £5,000

A man who claimed more than £5,000 in supplementary benefits while running a taxi business was jailed for a year yesterday.

Lawrence Taylor, aged 34, a father of three, claimed supplementary benefits almost every week for more than three years, using a money order to set up his taxi company, Mr David Ross, for the prosecution, said at Newcastle Crown Court.

He said: "His legitimate earnings were sometimes over £100 a week net. This type of offence is regarded by the general public as something of a semi-permissible fiddle."

In fact it was very serious. That was why the Department of Health and Social Security, under its new tough policy, brought the prosecution under

against a 12-month prison sentence for social security fraud and handling stolen goods, Lord Justice Lawton said it was "no good sending offenders for a cosy chat with a probation officer."

Michael McIntyre, aged 32, of Dudley Street, Salford, had taken £700 in illegal payments while working at a garage. Tory MP's demand: "Inform your neighbour if you suspect him of being a social security cheat." That is the suggestion of Mr John Carlisle, Conservative MP for Luton, West.

He wants an army of spies to back up the Government investigation of welfare abuse. Their targets would be widows and young mothers who take a "suspicious" interest in claiming benefit, and sponsors who collect unemployment pay after finding a job.

Mr Carlisle said he had evidence of cheating from letters sent to him. "They are criminals and I see nothing wrong in asking neighbours and acquaintances to bring them to justice."

But the Claimants' and Unemployed Workers' Union was sceptical at the idea. A spokesman of the union, Mr Joseph Kenyon, said: "This is a recipe for setting people at each other's throats and the beginning of the Gestapo tactics Hitler thrived on, with everyone spying on everyone else."

"We have investigated thousands of cases and often we have found the DHSS investigators to be bunglers who act as a law unto themselves."

Forger used reversal method for 'Titians'

Continued from page 1

wood block which was then expertly gouged out by a professional. That drawing was made in the reverse sense to the print and all the preparatory drawings for the print would also be in the reverse sense.

The reversal of the composition is thus a clear suggestion that the drawing was a preparation for the print.

That is how most of the forged drawings have been considered since the sixteenth century.

Dr Dreyer points out that the forgeries can have been made only at a time when the wood blocks were all easily available in the same place. The blocks were cut by several different engravers; thus, the engraver's authorship is ruled out.

He suggests that the forger may have been working in the print workshop of Bartolomeo Benaglio in Venice, who published several of Titian's prints.

He dates the forgeries to the decade 1515 to 1525, on the basis of the clothes worn by the figures that the forger has added to the compositions.



"Forest Landscape", in the collection of the Metropolitan Museum, New York, hitherto considered to be one of Titian's best landscape drawings and now exposed—a forgery by Dr Peter Dreyer, of the Prussian State Museum, Berlin.

New Irish Primate is surprised by choice

From Annabel Ferriman Dublin

The Right Rev John Ward Armstrong, Bishop of Cashel and Ossory, was elected the Church of Ireland's Archbishop of Armagh and Primate of All Ireland yesterday in succession to Dr George Simms, who retired on February 11 after more than 10 years.

Archbishop Armstrong, aged 64, who has a special interest in ecumenism, is chairman of the Irish Council of Churches and has been a bishop for 12 years.

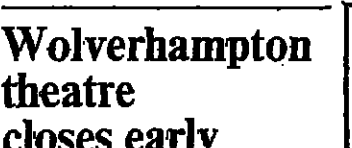
Eleven bishops of the Church of Ireland took an hour and a half to reach their decision at the Church of Ireland's College of Education. The enthronement, at St Patrick's Cathedral, Armagh, is expected to take place in April.

Archbishop Armstrong said that his election was a surprise and a great challenge. "My greatest wish is that we shall see a happy and peaceful Ireland before I retire," he said.

He was prepared to meet anyone who would speak to him, including the Rev Ian Paisley, leader of the Democratic Unionist Party, whom he knew, and members of the IRA. He did not think that the clergy should dabble in politics, but thought they could influence events by creating an atmosphere in which things happened.

Archbishop Armstrong was born in Belfast on September 30, 1915, and was educated at Belfast Royal Academy and Trinity College, Dublin, where he graduated in classics in 1938. He is married, with two sons and two daughters.

He said he hoped that by the end of his period as archbishop they would be a step nearer the ordination of women and thought most of the duty was too, but that only 45 per cent of the clergy was, with 25 per cent sitting on the fence and the rest against.



Archbishop Armstrong: Special interest in ecumenism.

Wolverhampton theatre closes early

From Our Correspondent Wolverhampton

Wolverhampton's 85-year-old Grand Theatre, which once included Kenneth More and Peggy Mount in its repertory company, closed yesterday, two weeks ahead of schedule.

The closure was precipitated by its bank freezing its current account, so no wages could be paid. This was to have been the final week of the pantomime, Aladdin, starring Bernie Winters but the company has dispersed. People with tickets will become creditors.

The theatre was part in an impossible financial position when Wolverhampton Borough Council refused to renew its annual £34,000 grant.

School classes disrupted by teachers' action

By Our Education Correspondent

Returning to school after the half-term break to find their classes disrupted by the continuing industrial action of teachers protesting against cuts in education spending.

In Avon, where the National Union of Teachers' strike is in its fourth week, about 300 teachers will go on strike in Thursday; the action will be repeated in another 10 schools next week. In all, 40 schools are affected.

In Trafford, Greater Manchester, nearly 100 teachers in four secondary and one primary school are to go on indefinite strike from today.

In Leicestershire NUT members in 120 schools are to stage a one-day strike tomorrow in protest against the authority's plans to cut £5m from its 1980-81 education budget.

In Nottinghamshire strike action is in abeyance while talks continue to resolve a dispute over the suspension of a nursery school teacher.

Nuclear plans 'not affected' by earthquake

From Our Correspondent Ayr

The earthquake that shook south-west and central Scotland last Boxing Day had no special significance in relation to the proposed programme of test bores for a possible nuclear waste disposal site at Loch Doon, Ayrshire, a public inquiry at Ayr was told yesterday.

Mr David Gray, assistant director of the Institute of Geological Sciences, who is responsible for the test boring programme by the institute for the Atomic Energy Authority, was giving evidence at the inquiry into the refusal by Kyle and Carrick District Council to grant planning permission for the programme.

There might be some concern after the earthquake as to its relevance to the concept of disposing of waste in geological formations, but south-west Scotland had been a region characterized by an anomalously low frequency of earthquakes compared with the rest of Britain, Mr Gray said.

'Ignore compulsive nosey parker' plea

Neighbours of a compulsive nosey parker were urged yesterday to ignore her peeping face at their windows.

The plea was made by Mrs Janet Dyson's solicitor when she appeared before magistrates at Barnsley, Yorkshire, for the fourth time accused of conduct likely to cause a breach of the Peace.

Mr John Dearden said that Mrs Dyson, aged 44, was second only to the miners' leader, Mr Arthur Scargill, as "her life has been torture because of her numerous court appearances. The prosecutions have been more in the nature of persecutions," Mr Dearden said.

"She has seen psychiatrists and therapists but none has been able to help her. She is totally unable to stop herself from indulging in looking into other people's windows and letter boxes."

"She does not intend any harm and most of the neighbours know her well. It is high time they ignored the face at the window of Mrs Dyson. There is something of a campaign in the area against her and it makes her life intolerable."

Mrs Dyson, of Westworth Road, Penistone, near Barnsley, pleaded not guilty, but was convicted and bound over for a further year in the sum of £150.

Mr John Small, for the prosecution, said that there was a history of complaints against Mrs Dyson. The latest incident was when her next-door neighbour, Mrs Denise Matthews, saw her peeping through her front window.

Mrs Matthews told the court that Mrs Dyson had upset her seven-year-old daughter on a previous occasion and when she upset her two-year-old son she thought it was time to call the police.

"A fence divides our properties. My husband has put wire netting on it and a rose bush, but she persists in climbing over it," Mrs Matthews said.

Early mosaic discovered at Fishbourne

From Our Correspondent Chichester

Possibly one of the earliest Roman mosaics in Britain has been discovered under the floor of the mosaic in the Roman palace at Fishbourne, near Chichester, West Sussex.

Measuring eight and a half metres square, the mosaic is believed to date from about AD75. It was discovered under the well known mosaic of a boy on a dolphin from the second century AD, during conservation work.

"Part of the mosaic is still damaged, but the whole is still worth lifting to be put on show somewhere else on the palace site," Mr David Rudkin, the director of the palace said yesterday.

The mosaic is largely a white-on-black geometric pattern.

Guernsey is divided over housing law overhaul

From Our Correspondent St Peter Port

Proposals for a new law to control the occupation of houses on Guernsey are to be debated tomorrow by the Island's parliament. They have been described as "an immigrants' charter" and as "a deprivation of basic civil rights."

The housing law has been used for 30 years to control immigration, but repeated revisions to cope with the growing complexity of island society have made some provisions unintelligible.

However, it looks as if the housing authority's conscientious attempt at clarification in its long-awaited overhaul has simply stirred up fresh dissension.

Almost overnight, new associations and lobbyists have sprung up. Estate agents are not

pleased that some houses in the pool of "open market" properties available to outsiders may be taken off the registered list.

The Guernsey Housing Licence Holders' Association has been confronted by the newly formed Open Market Association, which deplores proposals discriminating between "open market" children, who must live in Guernsey for 20 years to gain housing freedom, and the children of licence-holding essential workers, who would be free after 15 years.

Members of the nationalistic Guernsey Association are convinced that the new law will unleash a generation of wealthy non-Guernsey residents.

The housing authority wants the law to stand until 1991. But there is growing public opinion that Guernsey must introduce proper immigration controls

Big fines for cyanide dumping

From Our Correspondent Wolverhampton

There was a quick conclusion to the cyanide dumping case which ended its eighth week at Wolverhampton Crown Court yesterday. The trial had been expected to continue until Easter.

The prosecution recast the charges and the four defendants pleaded guilty to specific counts after the prosecution had agreed to strike out the conspiracy charges.

Judge Chetwynd Talbot emphasized: "Depositing toxic waste must be regarded seriously. It is very anti-social."

Daniel Hobbs, aged 32, of Bridgewood, Tetford, Salop, admitted dumping neutralized cyanide at Moxley, West Midlands, which was polluting and likely to give rise to environmental hazard. He was jailed for six months' suspended for two years and fined £500.

Alfred Paddock, aged 39, of Bridge Cross Road, Chasetown, Cannock, was fined £150 after admitting similar offences.

Pleading guilty to the same charges, Ronald McCrum, aged 44, of Leicester Road, Hinckley, was jailed for 12 months, suspended for two years, and fined £500.

Ronald Low, aged 29, of Stirling Drive, Tetford, was fined £500 for permitting toxic substances to be loaded at Birkenhead for dumping at sea; and Bransby Waste Disposal Ltd, of Leamington Road, Wednesbury, West Midlands, was fined £1,000 for similar dumping at sea.

Court told of jail's 'nightmare' control unit

By Penny Symon

Confinement in the control unit at Wakefield Prison was said in the High Court yesterday to be a cruel and unusual punishment and its "nightmarish" conditions were described.

Mr Stephen Sedley, counsel for Mr Justice Tudor Evans, said in imposing the control unit regime the Home Office had exceeded its lawful powers. The punishment was inflicted without charge or hearing, and involved confinement in a cell with no time limit.

Mr Williams, aged 39, was released from prison on parole last Monday after serving a 14-year sentence for armed robbery. He was put in the control unit for 180 days between August, 1974, and February, 1975.

He is seeking a declaration that his detention in the unit was unlawful and is also claiming damages for false imprisonment in the unit.

Mr Sedley said that the units were established at Wakefield and Wormwood Scrubs prisons in 1974, after a Home Office working party report on disciplinary and control of prisoners. He alleged that the recommen-

dations of that working party had been exceeded.

Stage 1 of the regime allowed the maximum isolation of inmates from each other and from staff for a period of 90 days," he said.

Stage 2 was a further period of 90 days with limited association, with the nightmarish provision that any misbehaviour, even that which fell short of anything amounting to a disciplinary offence, might result in a reversion for the prisoner to day one of stage 1.

Mr Sedley said that plans for the control units, which were closed in 1975, were never made public, and information about them had to be gleaned from parliamentary questions and answers.

"Under rule 43 of the prison rules, the governor is empowered to remove a prisoner instantly from association with others for up to 24 hours on his own initiative," Mr Sedley said.

"This is open to extension, with the authority of the Secretary of State or the board of Visitors, for up to one month at a time."

The hearing continues today.

Tremor shakes Stoke

A minor earth tremor was felt in Stoke-on-Trent yesterday. Windows were rattled and furniture moved in Burslem and Hanley, but no structural damage was reported.

Salmon catch falls

Only 86 salmon have been landed on the river, Eden, in Cumbria, since the season opened on January 15, compared with 111 in the same period last year.

Rail plan for cycles 'recipe for confusion'

By Nicholas Timmins

British Rail has started back-peddalling over its ban on bicycles on London's commuter trains during peak hours, cycling pressure groups reported yesterday after a meeting with the British Railways Board.

But it has produced "a recipe for complete and utter shambles," according to Mr Anthony Ambrose, chairman of the London Cycling Campaign, one of four groups involved in the talks.

"Neither station staff nor cyclists will know whether they are coming or going if these proposals are implemented," Mr Ambrose said. "They would lead to total confusion on station platforms during peak travelling times."

British Rail's proposals are said to include partially lifting the ban to allow bicycles to travel free against the flow of commuters during peak times, but not on the new rolling stock being introduced at Waterloo. Folding cycles of approved design would be allowed free at all times in either direction.

Southern, and on the Eastern Region Liverpool Street, would still ban bicycles travelling in the same direction as the flow of commuters, but at Paddington, Marylebone, St Pancras and at King's Cross on Eastern Region they could travel with the commuter flow for a charge of 50p a day.

However, bicycles starting and ending their journeys outside the banned area, bordered by Tunbridge Wells, Guildford, Chelmsford, Bedford, Aylesbury and Tilbury, would travel free at all times.

The time of the ban will shift slightly, but according to Mr Ambrose, British Rail said that the area covered by the restriction was not fixed. It could be extended at divisional managers' discretion.

"These proposals would mean bikes from outside the area could travel free at all times, but not on certain trains, with station staff checking tickets before they are loaded, while those in the area can travel with the commuter flow at some stations, for a charge, but not at others, some times within the same region," Mr Ambrose said.

British Rail said its courses were too crowded to allow bicycles to travel with commuters, but it proposed to allow them to travel against the crowds. "It is not logical," Mr Ambrose said.

He welcomed the fact that BR was beginning to think of easing the restrictions, imposed on January 2 after a two-year experiment when all bicycles travelled free. But the package would not work, he said.

A spokesman for British Rail said the board did not wish to discuss any proposals in detail. The meeting was one of a series, and no date for an announcement had been set.



DON'T LET THE NEW N.I. CONTRIBUTIONS CATCH YOU UNAWARES.

National Insurance contribution rates and limits change from April 6th 1980.

The main changes are summarised here but leaflet NI208/April 80, from Post Offices and Social Security offices, gives full details.

CLASS 1 CONTRIBUTIONS FOR EMPLOYERS AND EMPLOYEES

The lower earnings limit below which no Class 1 contributions are payable, by employer or employee, is being raised to £23 a week.

The upper earnings limit up to which Class 1 contributions are payable will be raised to £165 a week.

The percentage rates of contribution for employers and employees will also be increased to 13.7% and 6.75% respectively for employees who are not contracted-out. For those who are contracted-

out contributions on earnings between the limits will be 9.2% and 4.25% respectively.

New contribution tables are being issued direct to employers. But if copies are not received by March 21 apply as follows:

* Not contracted-out tables (CF 391)—local DHSS office.

* Contracted-out tables (CF 392)—Contracted-out Employments Group, DHSS, Newcastle upon Tyne, NE98 1YX.

* N.I. Surcharge-exempt tables (CF 398)—Collector of Taxes to whom end-of-year tax returns are made.

Existing tables will be invalid after April 5th and should not be used for payments of earnings after that date.

CONTRIBUTIONS FOR THE SELF-EMPLOYED

Class 2 (flat-rate) contributions for men under 65 and women under 60 will be £2.50 a week.

If you expect to earn less than £1250 from self-employment in the 1980/81 tax year, you can apply for exemption from liability to pay Class 2 contributions.

Class 4 contributions will continue to be at the rate of 5%. However, the lower and upper limits of profits or gains on which contributions are payable will be raised to £2650 and £8300 respectively.

VOLUNTARY CONTRIBUTIONS

Class 3 (flat-rate) contributions will be £2.40 a week.

Issued by the Department of Health and Social Security.

HOME NEWS

School inspectors paint a disturbing picture of education in many community homes

By Diana Geddes
Education Correspondent

A disturbing picture of the abysmal standards of education found in many community homes, formerly known as approved schools, is painted by the usually moderate-toned Schools Inspectorate in a report published yesterday by the Department of Education and Science.

The report, the first of its kind since community homes were set up under the Children and Young Persons Act in 1969, is based on a detailed study of 21 residential community homes with education on the premises, 15 for boys and six for girls.

It depicts administrative confusion; lack of clear objectives; appallingly narrow and often unsuitable curricula; huge variations in standards of staffing, accommodation and equipment; serious shortages of specialist teachers and low motivation among pupils.

The homes in the survey mostly accepted children from the ages of 11 to 13 up to 16 to 18. The most common age of entry appeared to be 14 to 15, with the average length of stay ranging from one to three years for boys and 10 months to two years for girls.

Most community homes are run by the social services department of the local authority, though a few are run by voluntary organizations. Costs per pupil are about £200-£300 a week. There are 128 com-

munity homes with education on the premises in England and Wales, providing for nearly 6,300 children.

All children in such homes have been placed there by the local authority, often after being convicted of criminal offences. The report states: "Most of them may be regarded as disturbed and disturbing children."

The report says that providing education in a community home was extremely difficult. It was not surprising that it was "frequently at fairly low overall standards, in spite of the commitment of many of the teachers."

A radical reappraisal of assessment procedures, of methods and of the curriculum as a whole was required. Some of the improvements could be made only if a new relationship was worked out between education in community homes and the local education authority.

The Government may decide to include some comment about the state of education in community homes in its statement on the Warnock report on the education of socially and physically handicapped children, which is expected before Easter.

Following are extracts from the inspectors' report:

Staffing. On the whole, the range of specialist teaching in the sample of girls' homes clearly was inadequate, with too few teachers of mathematics, science, music, drama and physical education.

Even where subject coverage appeared to be adequate, most of the teachers had received no specific training for work with disturbed girls and none had undertaken specific in-service training for working with disadvantaged children.

In some boys' homes the curriculum appeared to be inadequate, and of only two could it be said that the range of subjects was wide and the overall quality of teaching of a high order.

In some of the boys' homes the long-established pattern of trade departments (metalwork, woodwork etc.) could obviously result in boys being allocated to meet the requirements of the system rather than to meet their individual needs.

Individual subjects. 1. Language and literacy: In only a third of the homes were there successful attempts to extend the language experience of pupils across a broad range. In many homes there were few attempts to encourage personal writing; written skills were often narrowly based on comprehension exercises demanding one-word insertions in the answers.

2. Mathematics: Most of the homes overemphasized mechanical work and hardly tried to relate mathematics to everyday experience. Much of the work observed consisted of repetitive exercises, with minimal application to solving the problems of life.

3. Science: About half the homes had no substantial science course and a number of others taught only a minimal element, partly because of a lack of facilities and partly because of a shortage of qualified science teachers.

4. Art and craft: The work undertaken in most girls' homes was undemanding and limited to drawing and painting, with an emphasis on copying from books and pictures. The range of work in about three-quarters of the boys' homes, too, was very restricted and the quality generally was of a low standard.

5. Physical and outdoor education: Generally found to be of a better standard than other areas in the curriculum, but little done to capitalize on opportunities for social and personal development.

6. Careers Education for careers was not seen to be given a very high priority in most homes; in some it was non-existent. There was also a need for more health and sex education.

7. Social education: Although the development of social competence and social skills was frequently claimed to be part of the underlying philosophy of many homes, the incidence of such programmes was disappointingly small.

Few opportunities appeared to be taken to help pupils to examine the causes and consequences of their behaviour, nor was there any systematic attempt to initiate discussion about social issues, like skills or personal responsibility in the social context.

8. Examinations and record-keeping: Only about half the homes provided some kind of examination courses. Only a small number had developed a comprehensive and well documented system of records on individual pupils.

HMI series: Matters for discussion. No. 4. A survey of educational provision in 21 community homes with education on the premises in England and Wales (1979) (Stationery Office, £2.50, 36pp).

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Earlier this month Mr Trethowan told the staff in the house magazine, *Ariel*: "What we aim to do by the spring is to produce a plan which will trim our costs but will broadly maintain the quality—the unique and distinctive quality—of our service to the public."

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£100m BBC cuts plan for staff this week

By Kenneth Gosling

Proposals for economies aimed at cutting 10 per cent (£100m) from the BBC's budget will be put to the 28,000 staff in a letter from Mr Ian Trethowan, the Director-General, on Thursday.

Several strongly worded representations have been made by staff over the effect the cuts will have in the regions, since the BBC has said that it will do all it can to protect its networked radio and television services.

Documents purporting to show how much the BBC proposes to take from the education budget have been leaked, but the corporation has said that education will not take a disproportionate cut.

The board of management again examined the plan yesterday and it will have to be ratified later, probably next month, by the board of governors: that will happen after a fairly speedy debate on and reaction to the proposals.

The main burden of the cuts is expected to be in supporting services, such as making furniture last longer, cleaning less frequently and deferring or cancelling building projects.

Broadcasting is bound to feel the pinch, however, particularly in high-cost areas. Music is a costly item and may well take a cut.

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Woman PC saves colleague in football fight

From Our Correspondent
Bristol

A woman police constable's courage saved a colleague from a brutal beating at the hands of rampaging football supporters at Bristol on Saturday.

Police Constable John Brandon appeared in Bristol Magistrates' court yesterday with two black eyes after being punched by a Chelsea supporter, Michael O'Reilly. The court heard that it was the bravery of the policewoman that saved the constable from more serious injury as he lay on the ground.

Being kicked by footballers after the match between Bristol Rovers and Chelsea at Eastville. The unnamed policewoman flung herself across the motor cycle policeman to shield his face from kicks and punches.

"I was very lucky," PC Brandon said. "If it had not been for the WPC and the fact that I was wearing a crash helmet it would have been a lot worse."

It is confidently expected that Mrs Thatcher will play her role in person in the Cabinet Office war room.

One of the more intriguing chapters in the War Book, Whitehall's highly secret and immensely detailed contingency plan, was promulgated in the early 1950s, when stock was first taken of the Soviet Union's capacity to launch an atomic strike against the British Isles.

It deals with the role of the Chief Press Secretary to the Prime Minister in the transition period to nuclear war. He will be expected, according to The

War Book, to take control of national newspapers and television.

When asked if he would confirm the existence of the plan, the presser incumbent, Mr Bernard Ingham, replied: "No."

The purpose behind Mr Ingham assuming control of the national sources of news, including *The Times*, in the run-up to a Soviet attack would be to enable broadcasts by the Prime Minister, asserted Mr Ingham, to reach the civil defence instructions to the population, to be promulgated without hindrance.

During each "Winter" for example, there takes place a rehearsal of the Prime Minister's "I regret to tell you we

may shortly be at war" broadcast. In 1977 Mr Desmond Brays, a Ministry of Defence official on secondment to the Cabinet Office, achieved such a state of readiness that the defence community awarded him an "Oscar" for his performance.

War Book plans are one thing, the reality of the ballroom going up as one insider made clear, is quite another. He said: "You can have a whole succession of Bernard Inghams but they could not run the national press and television, whatever the plan says. You would have to rely on the people who usually do it. You would say: 'Do not panic' messages and a bit of press freedom and to act like a normal citizen. If you do not, you might have to do something about it."

A more likely arrangement would be the convening of a "Nuclear" type committee, Mr Ingham said, in the chair supported by Cabinet Office and Ministry of Defence officials, representatives of the broadcasting authorities and Fleet Street. They would agree on the text of messages and statements to be carried by all news sources.

The great weakness of the plan, according to an ultra-realistic official, is its touching expectation that anybody will be left in order to run the national press and television, he asked, "all your compositors and all the broadcasting technicians happily catching their usual trains to work in the knowledge that a bomb might be dropped on London at any moment?"

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Whitehall brief: Thatcher interest in 'doomsday' role Minister told to act in 'war games'

By Peter Hennessy

To the delight of the defence and intelligence community, the Prime Minister has instructed her ministers to imitate her example and take a direct part in exercises designed to test plans for the transition to a conventional or a nuclear war.

In the past senior civil servants have usually played the role of ministers in Whitehall "war games".

Senior officials have never known such close ministerial interest in their "doomsday" activities. Mrs Margaret Thatcher has already been through the steps she would have to take to launch a Polaris missile strike in response to a Russian nuclear attack on the United Kingdom.

The defence community is looking forward to January, February, 1981, when the next biannual "Winter" (Winter Exercise) will take place, with NATO nations tracing the steps from a period of international tension to the outbreak of a nuclear war over a two-week period.

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Mr Bernard Ingham: Standing by as press overlord.

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Heart man starts exercising

Britain's eleventh heart transplant patient, Mr Derrick Morris, felt fit enough yesterday to order grapefruit, toast and coffee for breakfast at Harefield Hospital, Middlesex.

On Sunday, the day after the operation, Mr Morris, aged 49, a stock foreman from Swanscombe, had been reported to be feeling "a little bit sick."

But a hospital official said yesterday: "He is showing a lively interest in what is going on and how he has become something of a celebrity."

Mr Morris, who was given the heart of a woman aged 26, is expected to stay in sterile conditions for about three weeks, and his wife has had to wear surgeon's clothing to see him.

The official said: "He is settling down now to what I hope will be a fairly normal and stable post-operative period."

Mr Morris, who was sitting up in bed and doing minor exercises, was likely to get up in two or three days.

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Council power to ban marches sought

By Peter Evans
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WEST EUROPE



Framed by East Berlin's Brandenburg Gate, Mr Pym meets some of the British garrison on duty in the city.

Britain gives Berliners word of reassurance

From Gretel Spitzer
Berlin, Feb 25

After signing the Golden Book in the city hall of West Berlin, Mr Francis Pym, the Defence Secretary today strongly emphasized Britain's guarantee for the divided city and its determination to stand by its rights.

In view of Afghanistan, he said, it was appropriate that the first visit to West Berlin from a Cabinet minister of the Thatcher administration should be by the Defence Secretary.

"I come to Berlin to reassert and to restate the commitment of my country to your city. I come to affirm allied rights and responsibilities in the whole of this city."

Détente required vigilance and reciprocity and could only be pursued from a position of security, he declared. The policy itself had not been invalidated by recent events.

"A firm and measured response to Soviet actions is not incompatible with the continuing pursuit of greater stability

in East-West relations. On the contrary, it is a precondition of achieving such stability," he stated.

The purpose of the Communist powers, however, was to seek to alter the balance of power in their favour by all means short of general war. It was their definition of "peaceful coexistence".

What happened to Afghanistan had driven this lesson home. It was a lesson that consequences of which were certainly relevant to the Third World,

but also in Europe.

Asked at a press conference later what impact Afghanistan might have on Berlin, the Defence Secretary said that Afghanistan was set back to détente but there was no sign of its spilling over to Berlin. He saw no reason for the moment why it should change.

Mr Pym inspected British troops in the city before attending a reception given in his honour by Major-General R. Richardson, the British Commandant.

OVERSEAS

Greek opposition threatens poll boycott

From Mario Modiano
Athens, Feb 25

The main opposition party in Greece has declared its intention to boycott the election by Parliament of the next President of the Republic. It holds that the present Chamber no longer reflects the will of the majority of the Greek electorate.

The five-year term of President Constantine Tsatsos expires on June 20. The Greek Parliament must elect the next President at least one month earlier by a two-thirds majority of the 200 deputies or by three fifths of them in a third ballot.

Mr Andreas Papandreu, leader of the Panhellenic Socialist Movement (Pasek) which is the second largest party in Parliament, claimed that there had been dramatic changes in Greek political opinion in the past two years. The right wing, he said, had become the minority and Pasok was headed for power.

The socialist leader was addressing a plenary session of the Pasok central committee over the weekend. He announced that his party had 65,000 registered members today compared with only 27,000 in 1977.

Under the circumstances, he said, he would co-operate with the right wing in order to elect for the next five years a new President who would express right-wing opinion and would be at odds with the true political feeling in the country. Mr Papandreu appealed to President Tsatsos to make use of his constitutional prerogatives to dissolve Parliament, elected in November, 1977, and proclaim general elections.

These he said, should give the country a Parliament that would elect a President compatible with the political sentiments of the Greeks.

It has been generally assumed that Mr Constantine Karamanlis, the Prime Minister since 1974, will put up his candidature for the presidency. However, he has been leaving his options open.

There is little doubt that Mr Karamanlis, whose New Democracy Party controls 175 parliamentary seats, can easily muster at least 150 votes from independents in order to get elected on the third ballot. But this is a longwinded procedure, on which he might not wish to stake his prestige. It would be difficult for him to win on the first two ballots without help from the Communists.

However, political observers question Pasok's optimism. There is little doubt that the ruling party's popularity has declined, mainly because of the deterioration of the economy. Foreign correspondents are expected to obtain clearance from the military censors of any material that may be considered sensitive by the authorities. They are required to sign a declaration to this effect and are told that their telephones

Palestinians planning widespread protests today against Egypt-Israel exchange of envoys

From Christopher Walker
Jerusalem, Feb 25

Palestinians and other radical Arabs are planning widespread protests tomorrow to coincide with the historic ceremonies in Cairo and Jerusalem at which the newly appointed Israeli and Egyptian ambassadors will present their respective letters of credence.

International security services will be on the alert for possible terrorist attacks designed to overshadow the twin ceremonies.

In the occupied West Bank and the Gaza Strip, the one million Arab inhabitants have been urged to hold a general strike in shops, offices and schools. The call has been issued by the National Guidance Committee, an influential grouping of mayors and other Arab notables who support the Palestine Liberation Organization.

In Egypt, both left-wing and right-wing opponents of President Sadat have declared their strong opposition to the setting up of normal relations with Israel. Today a manifesto signed by a number of intellectuals and writers and some former ministers was published in Cairo calling for a total boycott of what is described as "the Israeli presence in Egypt".

Earlier the left-wing Unionist Progressive Party had called on the people of Cairo to hold a protest march to the presidential palace where Dr Eliahu Ben-Elissar is due to present his letters of credence to President Sadat. But the Egyptian

authorities have stated that permission for the demonstration will not be granted.

Another opposition group, the Socialist Labour Party which has 30 seats in Egypt's 392-member Parliament, has urged Egyptians to raise a million Palestinian flags to counter the flag of Star of David which now flies over the new Israeli Embassy in the Cairo suburb of Dokki.

For their part, right-wing Muslim fundamentalists in Egypt have been calling on the population to stick to the Pan-Arab boycott of Israel which was abolished by the Government a month ago.

In diplomatic circles, the extent to which the threatened protests materialize is being regarded as a crucial pointer to the strength of internal opposition to President Sadat's peace policy. Tough action by the internal Egyptian security services is expected to mute the voice of protest as much as possible.

Israeli Ministers have been angered by a series of attacks in the Egyptian press against Dr Ben-Elissar. The latest appeared in the weekly Cairo magazine *Rose el-Youssef*, which singled out his recent support of Israeli settlement for bitter criticism.

The magazine said that Egypt did not need "a hawk like Ben-Elissar" and went on to query his ability to either build good relations between the two countries or to generate confidence about the prospects of solving the Palestinian problem. "We assume that either he does not understand the situation or that he does understand and pretends not to", it said.

Tonight a senior Israeli Government official expressed "disappointment" at the article and others of a similar nature which have appeared in the semi-official Cairo press in recent days.

Settlements plan: Detailed legal proposals designed to strengthen the position of existing and future Jewish settlements in the occupied Arab territories seized during the 1967 war are due to be presented to the Israeli Government within the next week.

The secret proposals are understood to have been drawn up by Mr Yitzhak Zamir, the Attorney-General, and to cover both the legal status of the land being used for settlement and possible changes which would make it easier to establish more settlements.

The legal review was inaugurated under pressure from right-wing politicians, particularly those who support Gush Emunim, a powerful pressure group which advocates the right of Jews to settle in every part of the biblical land of Israel.

For some time, the Government has been facing demands to annex the West Bank and the Gaza Strip. It is believed that the Attorney-General's review will submit a legal opinion on this suggestion, as well as on others advocating changes in the laws to prevent Arab landowners appealing against the expropriation of their land.

The Israeli Cabinet is also committed to discuss on Sunday the implementation of its decision in principle to permit Jews to settle in the centre of Hebron, the second largest Arab town in the West Bank.

Leading article, page 13

London visit by Bonn Chancellor

By David Watts

Herr Helmut Schmidt, the West German Chancellor, had an unexpected meeting in London with Mrs Thatcher, the Prime Minister, for talks yesterday on Afghanistan and the EEC budget.

The West German leader had "frank and friendly" talks, the "frankness" most probably referring mainly to the budgetary section of their talks given the new-found European unity of position on Afghanistan. Even the French subscribe to the British-sponsored proposal for a neutral Afghanistan.

So far Whitehall has not been able to assess in detail the speech made by President Brezhnev on Friday to decide whether or not it constitutes a signal to the Europeans that Moscow is ready to examine their suggestion.

The key section of the speech said: "I want to state very definitely that we will be ready to commence the withdrawal of our troops as soon as all form of outside interference directed against the Government and people of Afghanistan are fully terminated."

The suggestion that Herr Willy Brandt, the former West German Chancellor, might play a mediatory role between the two superpowers has not been officially broached to Whitehall.

Herr Schmidt, who took advantage of a private visit to Britain to call on the British leader also saw Lord Carrington, the Foreign Secretary. Mrs Thatcher will see Herr Schmidt again, for their regular six-monthly consultations, on March 28 in London shortly before the next Brussels summit meeting.

M Chirac adopts sharper tone against Government

From Charles Hargrove
Paris, Feb 25

M. Jacques Chirac, the Mayor of Paris and president of the Gaullist RPR, feels "increasingly uncomfortable" within the present Government majority. But he will continue to do nothing to bring the Government down; and his party will not vote for the two motions of censure tabled by the Socialists and Communists today, at the opening of the extraordinary session of Parliament.

M Chirac, who was being interviewed last night on Europe Number One radio station, repeated that he would not gamble on disaster. But he sought to correct the impression of an overall alignment on the positions of President Giscard d'Estaing given at his press conference of February 12.

His object remains to emphasize the distinctive approach of the Gaullists to economic and foreign policy, while avoiding outright opposition. It is a difficult exercise in political tight-rope walking, and it is one in which M Chirac, by temperament, does not excel.

He could not condemn M Giscard d'Estaing for praising the notion of worker "participation" in management, so dear to the Gaullists, any more than the President's continued support for the policy of détente with Russia and refusal of a policy of blood.

He said a distinction had to be made between form and content, and the form he found a little too hesitant.

No more than a fortnight ago would he say whether he would stand the presidential election in 1981. He is torn between a characteristic desire to throw himself into the battle and a fear that his score against

President Giscard d'Estaing, who has never stood higher in the polls, would be discredited, and find him trailing behind the Socialists and Communists.

"It is not enough to be Prime Minister. I have a sorry experience of the fact," M Chirac said. "In a system like ours, the impulse is given by the head of state. It is the only one which counts in fact."

He went on: "We no longer have a government, outside the prime minister. One never hears a minister talk politics any more or make a statement about anything other than telecommunications or the merchant navy. It is a pity as it makes it impossible to mobilize public opinion as it should be in difficult times."

He criticized both the growing concentration of power in the hands of the head of state "who governs in a more omniscient fashion than de Gaulle", and the power of the bureaucracy.

He called for a return to the practice of "the days of General de Gaulle and Georges Pompidou, with a government which, while very loyally pursuing the orientations laid down by the head of state, has none the less a political existence, and asserts itself as the leader of the country's affairs and in relation to its bureaucracy."

His criticism of the Government's economic policy was even sharper. "It is a policy of complete neglect, a general flabbiness of our economy", were the words he used. "Whatever the declarations one hears here and there, which are given very wide coverage, we are obliged to note that this policy has been a failure."

Nazi-style hecklers ordered out

Madrid, Feb 25.—Fifty young toughs dressed in the uniform of the Nazi-style Falange Party were ordered out of the courtroom here today when they

hailed as "patriots" five right-wing militants accused of the massacre of five communist lawyers.

The youths, many wearing heavy leather gloves, jumped to their feet, booed and gave the straight-armed Fascist salute as a prosecution lawyer expressed her fear that the bloodbath two years ago in a lawyers' office in Atocha Street, Madrid, could occur again.

"I feel enormous grief over the hate and insults received in the last few days," said Señora Cristina Almeida, who has been jeered and jostled throughout the trial. As the youths leapt to their feet and booed, she said:

"If this is the 'patriotism' of the people we are judging, 99 per cent of Spaniards have no Spain."

Lawyers representing the families of the Atocha victims are seeking a total of 918 years' imprisonment for the five Falangists, including a woman, accused of plotting, executing and covering up the killings. Another lawyer, Señor José María Mohamedano, reminded the tribunal that the two gunmen in the case forced their way into the lawyers' meeting and stood five and a half metres from the five from medical experts showing that three were killed by a single bullet and all were shot in the back. "So much for the claim of the defence that the gunmen became nervous and fired unexpectedly", he said. "The act was in cold blood." UPI and AP.

Europe moves closer to Westminster

By David Wood

The European Parliament is moving in on Westminster. It has decided to lease offices in Queen Anne's Gate, near the Houses of Parliament, in late April or early May. The new premises will provide a London base for the secretariats of British Euro MPs.

Until now the European Parliament has shared offices at 20, Kensington Palace Gardens with the European Commission. The decision to move into Westminster has been precipitated by an eviction notice served on the group secretariats in the Parliamentary offices close to Big Ben tower.

Yugoslavia hopes for more EEC trade

From Michael Hornsby
Brussels, Feb 25

The EEC and Yugoslavia have created a "permanent and versatile" framework for their future cooperation which will reinforce Yugoslavia's status as a non-aligned Mediterranean country, Mr Stojan Andov, the Yugoslav Minister for Foreign Trade declared here today.

He told a press conference that the agreement, initiated this morning, by himself and Helmut Wilhelm Haferkamp, the EEC Commissioner for External Affairs, reflected Yugoslavia's desire for a wide range of relations with the outside world in the spirit of détente and the Helsinki process.

Mr Andov was confident that the agreement would help to reverse the "negative trend"

in Yugoslavia's economic relations with the EEC. (Since 1973 Yugoslavia has been running a steadily growing trade deficit with the Community, which is estimated to have reached nearly £1,500m last year).

Full details of the cooperation agreement, which was more than two years in the making, have not yet been made public, but it covers industry, science, technology, agriculture, fisheries, energy, tourism and the environment.

Once the agreement enters into force, which may not be for several months because of ratification procedures, it will allow most Yugoslav industrial exports to enter the EEC duty-free. However, about 35 per cent of them will remain subject to quantitative limits on

their free access.

According to Mrs Milica Ziberka, the Yugoslav Deputy Minister for Foreign Trade, these restricted items include textiles, steel products, non-ferrous metals and ferro-alloys. Under the agreement, it is open to the EEC to take safeguard measures to protect specific sectors or regions against cheap imports. Yugoslavia may in turn introduce a 1,500 tonnes of tobacco, 34,800 tonnes of veal and 264,000 gallons of wine.

Yugoslavia will also be offered financial aid.

'Le Monde' journalists fail to elect new chief

From Ian Murray
Paris, Feb 25

The 180 journalists of *Le Monde* have yet to choose their new chief-in-chief despite one and a half days of meetings and three votes. The choice of the person to take over the job from the end of 1982 has been put off to a further meeting to be held during the next three months.

Forty per cent of the shares of *Le Monde* are owned by the editorial staff through their own society. This gives them the biggest block vote by far in the company, and other shareholders and groups of shareholders have given them the right to choose their own editor-in-chief—provided one candidate can win 60 per cent of the journalists' votes.

Although the newspaper was founded in 1944 to take the place of the discredited *Le Temps*, this is the first time that the staff will actually elect their editor-in-chief. The first

man to hold the position, M Hubert Beuve-Méry was appointed by General de Gaulle. He passed on the chair in 1969 to M Jacques Fauvet, who last year just managed to win election approval for a three-year extension of his tenure, past retiring age.

This has resulted in a long election campaign for one of the most influential positions in the most influential newspaper in France, the most important newspaper in France today with a circulation of 437,815, and an estimated 1,500,000 readers.

Four candidates emerged—all with a background on the foreign side of the newspaper. They were: M André Fontaine, aged 59, the present editor and his deputy, M Jacques Decornoy, aged 42. The other two were M Claude Julien, aged 54, editor of the newspaper's diplomatic supplement, and M Jacques Amalric, aged 41, the foreign editor and former Moscow correspondent.

Between them they have nearly a century of service on the newspaper.

The four candidates have been forbidden to write anything in the newspaper for the past month to minimize their electioneering. They have, nevertheless, been subjected to extensive grillings on their journalistic and management beliefs in the course of the run-up to the meetings of the past weekend.

After the first vote, M Julien and M Amalric both emerged clearly as front runners, separated by only four votes with the other two trailing badly. It then became a two-horse race, but after two further votes neither could win the 60 per cent of votes required. M Julien in the last count had 51.2 per cent and M Amalric had 44.4 per cent—and the number of abstentions was growing significantly.

M Julien does, therefore, seem to be the favourite to

win the job. He recently gave his ideas of a journalist's job in the preface to a book called *The Duty of Disrespect* which has just been published.

Writing of the journalist he says: "He knows that around each and every power there gravitates a concentric circle of interests and that he must have nothing to do with them because, by definition, by vocation, under pain of betraying himself, anyone who tries to think and to write has no other choice but to reveal everything that every power tries to hide."

Writing the story of the failure so far to elect a new editor-in-chief—which starts on the front page of *Le Monde* today—M François Simon, the president of the editorial society, says that the high quality of the debates so far has shown that far from the situation being blocked it has in reality been clarified.

Advertising works.

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In the advertising business, we all know that the ultimate test of any advertising campaign is the sales result to which it contributes. Sadly this hard truth is not always well acknowledged outside the agency world, where the accountability of advertising is held in some doubt.

The Institute of Practitioners in Advertising is now setting out to remedy this situation with a unique competitive award scheme that will be based solely on the assessment of the effects of advertising campaigns in any media. It will aim to achieve three things:

1. A better understanding of the crucial role advertising plays in marketing.
2. Closer analysis of advertising effectiveness and improved methods of evaluation.
3. A clear demonstration that advertising can be proven to work, against measurable criteria.

The scheme is open to all members of I.P.A. agencies, and offers a prize fund of £16,000 for the best case histories. The winning entries will be the ones that convince the judges of the contribution made by a particular campaign in its marketing context. There are five categories in all,

with prizes of £2,000 for the winner of each, and £1,000 for the runners-up:

1. Consumer goods and services-established products.
2. Consumer goods and services-new products.
3. Consumer goods and services-direct response.
4. Industrial.
5. Financial and other goods and services.

There's also a Grand Prix of £1,000 for the overall winner.

Entries must be received by the I.P.A. Secretariat by June 30. Full details are available now from: Janet Mayhew, I.P.A., 44 Belgrave Square, London SW1X 8QS. 01-235 7020. If you already use an agency, it should be applying for its entry forms now. If you don't use an agency because your advertising budget isn't big enough, maybe the results of this scheme will change your mind.

ipa
Advertising Effectiveness Awards.

Fashion

by
Prudence Glynn

Israel in Egypt

In about 1500 BC Moses, who had a bad stutter (a fact neglected in Hollywood epics), sent his brother Aaron on a diplomatic mission to Pharaoh. That if my information is correct, was the last such exchange between Israelis and Egyptians at ambassadorial level and also, so far as I know, Aaron was not escorted on that occasion by his wife.

Thus today's formal presentation of credentials between ambassadors makes history because, beside her husband in Cairo, will be Mrs Ben-Elissar. Egypt by the way has fielded a somewhat older bachelor in return. I look forward on my next visit to Tel Aviv to find out whether his private secretary is doing the cooking or whether he has managed to bring along some of those "scuttling, giggling servants" (Evelyn's Waugh's words, not mine) who do still exist beside the Nile and certainly do not once you have turned sharp left up the coast.

I imagine many women think

that to be an ambassador's wife is to be something between Mrs. ICI and The Queen, waving an imperious hand at efficient staff as you nip into the limousine and head for the hairdresser.

Wrong. To be the wife of an ambassador in these days is to have to appear at ease when you just know that the toast has been wrecked, and the Housewife of the Year writ large. My very favourite story is of that superb hostess, Lady Henderson, grovelling with the chef on hands and knees under the banquet table at the embassy in Paris only to discover that, for a Royal bout that evening there was no way the right number of guests could be seated. The damask table cloths, eventually delivered by the Department of the Environment, were all three feet too short. She made do with a quick bit of carpentry, a lot of flowers and I rather think her mother's lace veil to plaster over the joins in the table and napery. There were of course a few gold epergnes to help out.

Mrs Ben-Elissar was greatly cheered when I told her this story because her first problems are going to be domestic. They have yet to find a residence in Cairo and they have to adjust to a life which willy nilly must be more formal. Her husband has been the director general of the Prime Minister's

office. He comes from a modest background, escaping from Germany in the war with the papers of another child during an exchange of prisoners. His home was a small town in Poland.

Cairo is not new to Mrs Ben-Elissar. She has been twice her husband more often, leading the talks between the nations in January 1977 "while I was sitting at home and bitching about being left behind. Do you ever get the time to talk to your husband? Men in public life are always so busy."

But the ambassador is not the only busy one. His wife works in adult education, for the Institute for Leadership Development section. She has a daughter of 25 by a previous marriage who teaches English literature. "We were so pleased when she decided to return to this country, because it is small and she had travelled a lot."

Mrs Ben-Elissar, born in Jerusalem, has also travelled widely. "London? Marvellous, because you can get absolutely anything and everything there. And your people are so friendly. Most places in the world if you ask someone the way, or the time they think you may be someone dangerous, or they just do not want to be bothered". Her life as the wife of a senior United Nations executive in Nigeria, Liberia and Switzerland has certainly prepared her for the daunting task of starting an embassy from scratch.

Scratch means everything from the carpets to the toothbrushes, via the potato peeler and the cooker; two sets of equipment, of course, for Orthodox visitors. Mrs Ben-Elissar expects a lot of visitors. "You see, in Egypt they have always been free to move around across their immediate borders by road. We have been isolated."

Private guests will eat off a modest dinner service of 16 place settings made in superb Israeli ceramics by Lapid. Officials will get the benefit of the finest china by Numan; 30 sets emblazoned with the star of the state, and delivered in approximately six weeks. As much furniture as possible will be the work of Israeli craftsmen, and the decor of the house clear, clean-cut and simple—Mesquite rugs, fine pottery.

But what to wear? Even in the so-called liberated 80s the

wives of ambassadors get picked off for being dowdy, flashy, or nuts. Mrs Ben-Elissar does start with the advantage of a pretty figure, great personal style and the ability to carry clothes well.

Having travelled in both countries my guess is that the informality and the sort of khaki-coloured brusqueness of the warrior state, where no-one appears to wear long evening dresses ever, will need to be modified by the far more formal climate of dress in Egypt, which retains enormous French influence in dress. Butmain, here is your market. What Mrs Ben-Elissar is going to have to do is to conform in order not to appear to disregard her host country's views on what is *comme il faut*. Preferring perhaps a simple dress, she will have to don sequins.

She is far too clever not to understand this, let alone to resent it. Dress after all reflects the society which wears it and who is to say that knocking about in an easy fitting pair of jeans tells you more about the power and confidence of the wearer than does a formal ball gown. Women are enormously influential in Egypt.

Mrs Ben-Elissar has most of her clothes made privately. With a strong eye for fashion and a very practical knowledge of her figure and her colouring she finds the work of adapting ideas and shapes rewarding, too. For her new post she has shopped with Cortez and would have liked to patronize Oberson, Israel's highest rated couturier: "but the prices!" Luckily she has not got to cope with a massive climatic change and what her own country does best are the coloured lightweight things ideal for Cairo.

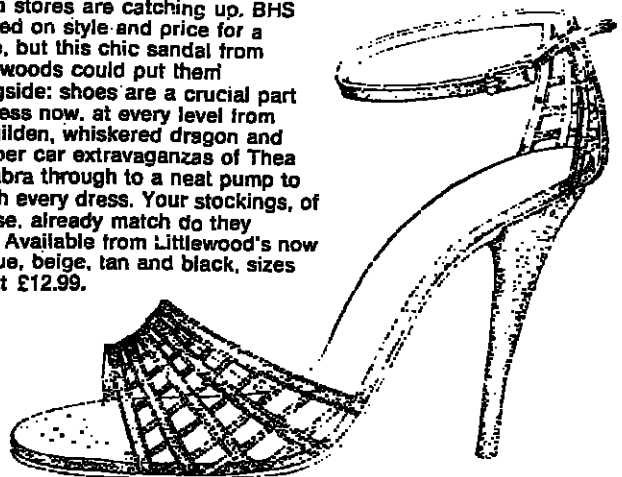
She does love meeting people, she does like entertaining, she gets on well with women—and "wants them to get to know Israel through me. Of course there is a big international very sophisticated community, but it is Egypt I want to know." Language problems, is the dishwasher going to turn up in time, what luck that Alexanders could make her one pair of gold sandals to go with everything.

Sometimes I think I'll have to wake up, sometimes I think it's unreal. All my life I have lived in a country in a state of conflict, every memory is of war. Now at last we have a chance for peace, and I have the chance to play a part in that new understanding."

The sun specs say Yves St Laurent; the heart says, Hope.



● Shorter skirts = higher heels which = new shoes and at last the chain stores are catching up. BHS has led on style and price for a while, but this chic sandal from Littlewoods could put them alongside: shoes are a crucial part of dress now, at every level from the gliden, whiskered dragon and bumper car extravaganzas of Thea Cadabra through to a neat pump to match every dress. Your stockings, of course, already match do they not? Available from Littlewoods' now in blue, beige, tan and black, sizes 3-7 at £12.99.



from
Well take

HILLTOP PARK AVENUE

Women in advertising

● An assembly line operator ice skating in the evenings; a policewoman playing badminton at the club; doing a milk-round, cycling, camping and playing ping pong: this is how many women today want to see themselves depicted in advertisements, by the same token, they do not want to be seen as hairdressers, shop assistants or florists, and nor do

they wish to be caught walking, running or playing tennis. Gone is the old basic objection to woman as drudge or sex object; in its place a precise, if not always easily explicable, breakdown between occupations that are acceptable and those that are not.

The finding that a policewoman scores higher than a florist came from an advertising agency, D'Arcy MacManus and Masius when they decided to scour the country for "A Mars a day helps you work, rest and play" model, needed a woman, and decided to send in a market research team. What surprised them when they came to collate their findings was the very ordinariness of the jobs aspired to. The women they talked to either did not want to become steric scientist or Concorde pilots, or simply never conceived such a thing possible.

More interesting, perhaps, is the implicit suggestion that the days of the housewife seem either by herself or by others as pure mindless drudge are over—or why mention hairdresser rather than housewife as bottom of the list?

This survey is only one of D'Arcy MacManus and Masius' forays into women in advertising. Having established that in

Britain nearly 70 per cent of women between 35 and 44 are what they call "economically active"—70 per cent of women of all ages in the United States, providing you define working loosely enough, to include planning to work—they asked themselves whether it actually mattered that the women looking at the advertisements (for polish, vacuum cleaners and so on) were not in fact at all like those modelled themselves.

To put their minds at rest they arranged for group discussions among housewives (half workers, half not) to whom they showed two versions of the same basic advertisement. In the first the woman plays her "traditional" role (giving her family breakfast, then waving them all off; suffering from a headache after a spell of cake baking; being admired for a shiny table). In the second, she is a "modern" woman (mother and father getting breakfast together and leaving home at the same time; coming home from work with a headache; polishing a table while her husband cooked).

The discussions that followed the advertisements were obviously very lively. The women talked about just what sort of domestic help they could expect from their hus-

bands, and agreed that polishing a table was a bit "effeminate" for a man. Working mothers liked the idea of a quickly prepared nourishing cereal. However, they shied away from the hard nosed career woman image, particularly when done up in shirt and tie (as in the breakfast cereal ad). All agreed that small children were more likely to cause headaches than a day at work. Most of them, in fact, saw work as a privilege rather than a burden.

From these talks emerged a series of conclusions. Women, say D'Arcy MacManus and Masius, do not wish any longer to be portrayed as enjoying domestic work, and bitterly resent it being considered the main focus of their days. Nor do they wish to occupy the "supporting" role in the lives of others—hence perhaps their desire to be seen playing ping pong themselves, rather than smirking with pride at their children playing. And more passionately than anything, they object to being portrayed as gullible and uncritical. The ideal advertising lady of today? an independent, discriminating woman, working in some rather unusual job, advertising a labour saving convenience product.

Caroline Moorehead

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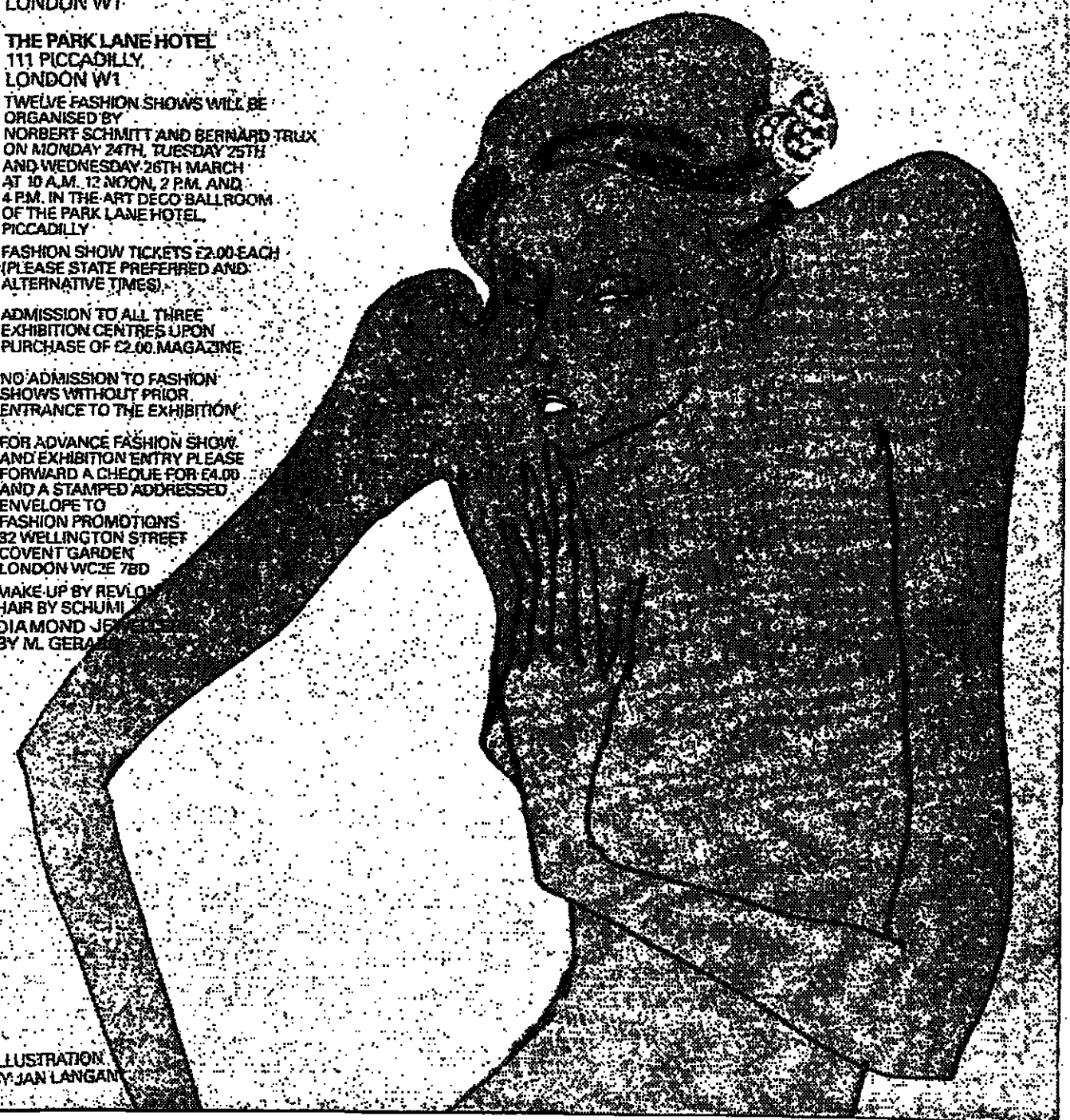


ILLUSTRATION BY JAN LANGAN

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SM THOMAS CROWING
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Edward Heath, a member of the Brandt Commission, on the urgent need to close the gap between the industrialized nations and the developing world

Oil and aid: the axis that could create a new order

The report of the Brandt Commission is dominated by one major theme: the urgent need to close the gap between the industrialized nations and the developing world. The report, which is the result of a year's work by a committee of 15 members from the North and the South, the developed and developing worlds, must be of benefit to both sides. Moreover, if the proposals are to be implemented by governments, it is essential to be able to demonstrate to public opinion that each side has a mutual interest in achieving these objectives. That all 15 members of the commission, drawn from every continent and covering the whole political spectrum, have agreed, after years of work, on what is required in the present political and economic circumstances is surely something which should give governments cause to heed our recommendations.

There are times when we could talk about aid in the sense of an industrial country handing over funds to an underdeveloped one without thought of self-interest. The developing countries themselves, however, should be seen to have a role in the aid. The voters in developed countries see no reason why, at a time of high inflation, high unemployment and deepening recession, they should be asked to provide funds for the less well-off.

There are, of course, many people—particularly among the young—who regard themselves as having a moral obligation to help others less fortunate than themselves. It is a noble sentiment, but it is not a sufficient reason to them, but they are not predominant in the North today as they were just after the Second World War. There are others who feel that we have national obligations to our former colonial subjects, a sort of payment for a colonial bangover.

But as far as my generation is concerned, and those that have followed, all we have ever done is to take part in territorial independence to such territories, of which Rhodesia is last in the line. There is little sense of obligation remaining here.

The one firm basis on which a lasting policy can be created for a stable relationship between the North and the South is that both should see that what they are doing is essentially for their future peace and prosperity. Indeed, when we

examine the global problems which will be confronting us all for the rest of this century and well into the next, it is not station, it is highly to say that it is a programme for survival which is required. That is what the Brandt Commission has attempted to outline.

What are these problems? Between now and the end of the century the population of the world will increase from just over 4,000,000,000 to just over 6,000,000,000 people. In 20 years, the increase will be as great as the total population of the whole world at the beginning of this century. This is inevitable: nothing now can prevent it. The only question is whether, as a result of deliberate population policies, the total can be limited to 8-10,000,000,000 during the first half of the next century. The demand for food, energy and raw materials for a population of this size will make upon the world's supplies, is enormous. The mind boggles at it.

From the point of view of the North, we shall find ourselves facing increasing shortages, with the commensurate rise in prices, unless we take action to meet them. For the South, it will mean failure to improve the standard of living of its peoples or perhaps even a fall in their present levels unless we can secure the expertise and funds necessary to bring about a more rapid rise in their development. This applies to agriculture, mineral resources and production of such things as steel and chemicals.

How can these needs be met? Today, the North has vast excess capacity. There are 18,000,000 unemployed in the OECD countries alone. It is estimated that production could be increased by between \$250,000m and \$400,000m a year in these countries. It is the South that desperately needs the goods which the North produces, particularly capital equipment, as well as expertise and modern technology. How, then, can we match these two factors in one equation?

The answer lies in the financing of the South so that its development will make demands upon the spare capacity of the North and thus to recreate an expanding world economy. To this end, the Brandt Commission has suggested an emergency programme to be embarked on as soon as possible and covering the next five years. This would be part of a long-term strategy which will extend to the end of the century.



Mr Heath: "Our agreement should give governments cause to heed our recommendations."

agency programme to be embarked on as soon as possible and covering the next five years. This would be part of a long-term strategy which will extend to the end of the century.

In the course of its two years' discussions, the commission examined all the different aspects of development policies as well as the requirements of the North. These included the questions of further commodity agreements; of improved access for the industrial products of developing countries; of the difficulties of the less developed countries in getting to the point where they can "take off" towards a higher standard of living; of the heavy burden of indebtedness of those industrializing developing countries which have already got well under way; of the appropriate relationship between the industrialized countries and the countries in which they operate, and the impact of the continuing increase in oil prices on both North and South alike. In this context, the

commission came to the conclusion that a concordat covering a package of these items would be necessary to satisfy both sides.

At this point I think it is worth asking why so many of the countries of the South have failed to make any great progress over the past few years. It is common for them to say that the South was unrealistic in its wide-ranging demands on the North and that the latter lacked the understanding and the will necessary to meet the justifiable requirements of the South.

I believe there were two further reasons. Where the conference considered an all-embracing agenda, it proved politically as well as intellectually impossible to negotiate a settlement covering all these items. On the other hand, where the conference was convened to deal with only one item, it proved difficult for both sides to see some benefit for each of them in a settlement. Hence the need for both North and South now to concentrate

on an emergency programme, agreement on which will help to deal with the most urgent problems and, at the same time, create sufficient confidence for dealing with the longer term issues.

How can such a programme be organized and financed? The resources are to be found in the surplus producing countries, whether they are oil exporters or members of OECD. In addition, these funds could be reinforced through the international institutions. The World Bank which already has authority to double its borrowing from \$40,000m to \$80,000m, could change its gearing from 1:1 to 1:2, thus putting a total of \$160,000m at its disposal. The International Monetary Fund could either sell more gold or borrow against gold. It could also ensure that when it is necessary to issue more Special Drawing Rights because of the increased need of the world for more liquidity, it could ensure that the

SDRs could be used first by the developing countries. In my view, it is not the creation of SDRs for the developing countries, a proposition which could be termed inflationary. It is that when SDRs are necessary they should be used for the benefit of the developing world.

This financing could help the poorest countries and the regions most seriously threatened by the current economic crisis. It could help to finance the debts and deficits of middle-income countries. It could encourage the development of a global food programme and it could make a start on projects and programmes necessary to supply the world's needs over the next two decades.

There will be a major role for private enterprise to play in all this, not only in the manufacture of the equipment required in the developing countries for this purpose but also through the establishment by the transnationals of their own subsidiaries over a much wider area of the developing world. In return for this, the North would ask the oil exporting countries for a guarantee of the security of their future supplies of oil as well as an arrangement over the rate of increase in real terms of the price of oil.

In my view it is from now on the Opec countries will have vast surpluses of funds which they will find great difficulty in handling satisfactorily. They have already lost some 20 per cent of the value of the surplus they have hitherto invested in the dollar. Moreover, the commercial banks are already emphasizing their problems in continuing to recycle Opec money into productive investment.

The Opec countries will be looking for a more secure means of placing their surpluses, with some expectation of getting a higher return than the present rate of inflation. If we in the North can contrive such a system, we could expect to have an assurance for the security of our oil supplies and alternative sources of energy have been developed. At the same time we could receive a clear indication of the future level of oil prices in real terms. It is unrealistic to work

on the assumption that a surplus of oil will lead to a reduction in prices as the normal market economy operates. In fact, if at any time a decrease in price appears imminent, the Opec countries will cut back their production to the degree necessary to ensure that prices are at least maintained in real terms.

How can this best be organized? This is a matter for diplomatic discussions between the countries most concerned. The report will naturally be discussed in the United Nations Assembly in the autumn, and in many of its subsidiary and associated organizations. There will be parliamentary debates all over the world and, as is already evident in Britain, innumerable organizations will continue to discuss and gradually lead to the formulation of public opinion.

What is required, in my view, to implement the proposed concordat is a meeting of a small group at the highest level, first perhaps between the North and the Opec countries, later to be joined by some representatives of the non-Opec countries in the South. Such a group would have to be carefully prepared with detailed proposals showing the advantages to each group of negotiating such an agreement.

I would hope that at the next meeting of the European Council the heads of government would indicate their desire to take part in such a procedure, which could then be endorsed by the meeting of the highest level. In the North in the early summer. If such an initiative evoked a response from member countries of Opec and the rest of the developing world, the preparations would be made for what might prove to be a toughly argued but successful settlement.

It is all too easy to see the difficulties. The alternative is for the world to go sliding deeper and deeper into recession, affecting both North and South, and for the South to become so frustrated by its impotence that it puts pressure on Opec to use oil once again as a political weapon, thus depriving the North the energy it needs. In face of such dangers, it behooves us to make a genuine and determined effort to establish a new relationship between North and South.

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Bernard Levin

Jews in Russia: the other final solution

From time to time, I have referred here to the widespread incidence of public, that is, official, anti-Semitism in the Soviet Union. At one time, it was sporadic, and apparently based on the particular predilections of Soviet officials and leaders (both Stalin and Khrushchev were anti-Semites of the crudest kind); of recent years, however, it has been put upon a more regular and systematic basis. The most probable reason for this is the persistence of the Jewish emigration movement, which the Soviet authorities regard (rightly, as a matter of fact) as a danger to their entire position, since it demonstrates with its weight of numbers (as do the individually embarrassing defections of such honoured citizens as ballet-dancers, scientists, sportsmen and chess-players) the desire of so many of the Soviet people to get out of the country that is necessary to prevent the organ and medium of state propaganda as a paradise upon earth.

I have frequently chronicled the sufferings and persecution of the Jewish "refuseniks" (those who have applied for permission to emigrate and been denied the right to do so, sometimes for many years); of course, I do not believe that it is worse to persecute a Jew than a non-Jew, and of course I believe that any Soviet citizen who wants to leave his or her

country should be allowed to do so, but it so happens that the only ones who have been allowed out in any substantial numbers are the Soviet Jews.

That does not imply any tenderness of feeling on the part of the Soviet authorities. It is only Jews who have applied to leave, and been allowed to leave, in any quantity, because only they can claim that they have somewhere to go (no application to emigrate by a Jew is even considered unless it includes a statement of intent to settle in Israel). Recently, the position of the applicants—both the refuseniks and those whose request has not yet been refused, has become worse. Direct telephone contact with the West, which once, however precariously, flourished, has now been almost entirely cut; in many areas the offices of the department that deals with Jewish emigration have been closed down or have sharply reduced their opening-hours; the number of Jewish emigrants arriving in Vienna (hitherto a most reliable measurement of the state of the emigration movement) has fallen very steeply so far this year, and—

perhaps the most ominous development of all—some of those who had been given official permission to leave, and the exit-visas to enable them to do so, have had their visas taken away in nocturnal police raids.

But that is the foreground. This week—today by a general account, and tomorrow and Thursday in a discussion of two individual cases—I want to look at the background of Soviet anti-Semitic activities under Mr Brezhnev.

The Soviet Union probably has a larger number of distinctly recognizable ethnic groups, nationalities and languages within its borders than any other country on earth; the only possible exception is India. The standard Soviet academic reference-work on the subject lists 127 living languages, some of them (such as Ukrainian) spoken by millions of people. Moreover, cultural distinctions (as opposed to nationalism, which is rigorously and brutally repressed) are to a considerable extent encouraged: though Stalin slaughtered uncountable hundreds of thousands of members of Soviet ethnic minorities,

the continuing vitality of many of these groups has been remarkable, and they have been permitted, though of course only within the rigid framework of central state policy, to operate their own schools, study their own language and practise their own cultural activities.

All groups save one: the Jews. Even Soviet citizens of Polish or German extraction, who have no geographical homeland inside the Soviet borders, have such facilities, but they are denied to the Jews. There is not a single school anywhere in the country which teaches Hebrew, by which I do not mean simply a school of Hebrew, but an ordinary school teaching Hebrew as part of its curriculum. No books in Hebrew are produced in the Soviet Union, and books giving instruction

in the language including grammar and dictionaries, have been seized and confiscated when sent from abroad. It is possible to learn Hebrew in the Soviet Union, but not for Jews! (Some Russian Orthodox seminary scholars are permitted to study the language for biblical purposes.)

It is worth noting that the Soviet authorities do not deny the existence of a Jewish ethnic group; indeed, Jews are obliged to have the fact that they are Jews recorded in their internal passports. It is also worth remarking, though it hardly comes as a surprise to my readers, that in their refusal to permit Jews to maintain their culture and language the Soviet leaders are in breach of two international conventions, both of which they have ratified: the UNESCO Convention Against Discrimination in Education (Article 5c) lays an obligation on the signatory nations to provide all facilities necessary for such minorities to study their language and culture, and the International Covenant on Civil and Political Rights (Article 27 specifically promulgates the right of minority groups to teach their own language and culture.

The other Jewish language, Yiddish, fares no better. Stalin systematically destroyed all the traces of Yiddish culture he could find (together with a good many of such Jews as the Nazis had not already accounted for), and it has never recovered. There is one monthly journal in the language, but no tuition and no textbooks.

Five for the moderates

You will have received, or shortly will receive, a ballot paper for the elections to the Freeland Industrial Council. If you want the council to remain in moderate hands, please cast FIVE votes, numbered (you do NOT vote with crosses) in the following order: Craig, 1; TERENCE (not Philip) Kelly, 2; Fraser 3; Curtis, 4; Bolt, 5.

On the trail of the tropical forest killer

This week an international conference is being held in Libreville, Gabon, under the auspices of the United Nations Environment Programme, to discuss the growing threat to the world's tropical forests.

Warnings of impending ecological disaster have become so frequent as to have lost much of their impact. The average man, wrestling with his day to day problems, might be forgiven for refusing to spend time worrying about the prospect of his planet freezing, or being engulfed in fire or even blowing itself up.

But disaster, in particular man-made disaster, is not always

as remote as it might seem. That is made only too clear in a recent issue of the magazine *The Ecologist*, the major part of which is devoted to an extensive survey of the possible effects of the rapid destruction of our forest resources.

Our knowledge of those resources is abysmal, the author of the survey, Mr Alan Grainger, secretary of the International Tree Crops Institute, declares. The United Nations Food and Agriculture Organization (FAO) relies largely on information supplied by individual governments, which can sometimes be wildly inaccurate.

Subject to such limitations, however, the total area of tropical forest is estimated at 935 million hectares, roughly the size of the United States. More than half of that—472 million hectares—lies within the region surrounding the Amazon and Orinoco basins. The other two main areas are in South East Asia (187 million hectares) and in West and Central Africa (175 million hectares).

In 1975 it was estimated that the forests had been reduced to about 60 per cent of their original size. FAO puts the present annual rate of loss at some 15 million hectares, more

than the combined area of England and Wales.

"On present knowledge the tropical moist forests are being destroyed at a rate of about 30 hectares a minute," it was stated at the Eighth World Forestry Congress in Jakarta.

Mr Grainger identifies the main threats to the forests as coming from logging, mining, and clearance for agriculture and settlement. Among the worst examples he cites are Sumatra and Borneo, where the trees have been burnt to make way for large scale ranching or other agricultural schemes," he writes.

Yet agricultural productivity was cleared to make way for a huge open-cast copper mine; and of course the vast area of Amazonia, where the annual rate of loss may be as much as 11 million hectares, and where as much as a third of the forest may already have been destroyed.

"What was once seen from the air as a mosaic of different types of forest has been turned into a checkerboard of sylvan green and brown, where the trees have been burnt to make way for large scale ranching or other agricultural schemes," he writes.

In the cleared areas is very low, not only because of poor soils but because of the effect of the climate. Immediately after clearing, the grass may grow naturally up to half a metre, but after five years will resemble the fairway of a golf course.

As for the consequences, Mr Grainger observes that there are some 200 million people living within or on the margins of the forests, dependent upon them not only for food, medicines and firewood, but for raw materials to clothe and house themselves.

possible effect on climate and biology, which he says, are sufficiently alarming as to demand attention at the highest level. There is ample evidence, he claims, to suggest that the loss of trees on the present scale will lead to soil erosion, creeping "desertification", destructive flooding and, quite possibly, long term changes in rainfall patterns.

As to the theory that the world's supply of oxygen could be endangered, he is more cautious. Rain forests do not in fact contribute much, if any oxygen to the atmosphere other than that which they themselves

consume. But climatologists are generally concerned about the possibility of still greater amounts of carbon dioxide being expelled into the atmosphere, with possible catastrophic effects on life on earth. That, he suggests, is a process which we may not begin to understand or appreciate until it is too late.

John Young

Copies of *The Ecologist*, Jan-Feb 1980, may be obtained from Ecosystems Ltd, 73 Molesworth Street, Wadebridge, Cornwall, PL27 7DS. Price 80p.

LONDON DIARY

Men who fan the brow of democracy

It is a little known fact of the working of our democracy that before Prime Minister's Question Time the temperature of the Chamber is deliberately lowered by two degrees. Within minutes, of course, all those bodies, hot with political passion, raise the room temperature to the 68 Fahrenheit that long experience has shown to be the one at which our MPs function most efficiently.

As I have just discovered, while they were in the Chamber, are considered as carefully as if they were rare and delicate animals in a zoo. Down in the bowels of Westminster the temperature, humidity, lighting intensity and airflow. These skilled and jolly back-stage men are the punk-walkers of our Parliament.

In their large green control room, which has enough dials and buttons to put a startle to shame, they have to be

alert to the moods of the Commons. A big debate, a sudden crowding of the chamber, or moments of high emotion, can literally change the atmosphere. With expert button-pushing the engineers move the hot air out and admit the cool, fanning the very brow of democracy.

And being professionals, with proper pride, they do not like to leave everything to the dials and automatic switches. They like to anticipate and to go into manual override to keep temperature and humidity steady.

They get the feel of the chamber by switching on a sound relay—and by peering into it through their steerable periscope. This provides a most intriguing bird's eye view and enables the engineers to check the lighting and the blinds and to judge the atmosphere by the chamber's population and emotional condition.

wears morning dress and his face is adorned with a monocle and a prize-winner of a moustache.

He has to do much more than ensure that Parliament keeps its cool. He and his staff of 187 have a vast range of responsibilities in the Palace of Westminster and its ancillary buildings, from the light atop Big Ben down to the lovely old steam engine, almost a century old, which is the emergency power for Parliament's sewage ejector. Under his command are the whistle which shrills when the Commons disperses, the power plants, machinery and the water softeners which ensure that the glasses in Parliament's numerous bars dry bright and not smeared.

"It is," Mr Darwin observed, "like running a great hotel." "More like a town," said one of his engineers, pressing a button to ensure that Parliament did not get hot under the collar.

"Much of the science of the ventilation of large buildings has been learnt here in Westminster," Mr John Darwin, resident engineer, said. He is an energetic man of 66 and of splendid appearance: he always

House of Lords last week. The last time there was singing in Parliament was in 1945 when, in the full flush of their landslide, Labour men rose to give an emotional rendering of the Red Flag. There are rules governing the uttering of sound in Parliament—Members may not, for example, call each other dogs, swine, imbeciles, puppy, stool pigeon or murderer (they may only think it). But there is no rule forbidding singing.

A Member is required to speak in English, but the question whether he should teach have to sing in English remains an open one. Worldwide researches reveal little parliamentary singing elsewhere. In fact, off-tone, however, MPs sing their daily prayers. No doubt our own MPs prefer to spare themselves the sound of their voices raised in song. Community singing in institutions as anyone who endured it at school assembly will know, is more often than not a droning misery.

Seasons have been waiting impatiently for the outcome of the Great Teahag Throwing

Contest run by Yachting Monthly. As most sailing men know, a wet teahag is more a home on board than a leak in the hull. There has long been need for machinery to bury these dripping, staining, pesky tannic beasts at sea. The contest has attracted many cunning devices and the winner is the Gormag Teahag Pistol, a sort of holy trench mortar. It can also be used for threatening mutinous female crew, an alternative to the rope's end favoured by most skippers. The winner is the Aclastic Catapult, invented by Jonathan Gay. A Scottish lad aged six. It is called aclastic because, as he writes in his technical notes, "the handle... of his teahag ballista is worked by an aclastic hand." This boy will go far.

In limbo

Russian activity in Afghanistan is watched with a special sense of déjà vu by those occupants of wistfulness in London, the legations of the annexed Baltic states of Lithuania, Latvia and Estonia.

Miss Thatcher has agreed not to mention Andrew. Ma'am, if you don't discuss Mark...



Mr Vincas Balickas, the courtesy Lithuanian chargé d'affaires, said. "The Russians said the

same thing when they took my country, that they were helping the people."

Mr Balickas is over 70 and has been in London 42 years. Part of my job is to keep alive the spirit of Lithuanian freedom. I am kept busy because I get many letters from people interested in their Lithuanian roots and from students writing their theses. I have a large archive in the nation and I do translating and I issue birth certificates to people who were displaced. I have a considerable collection of family records. I keep in close touch with my Latvian and Estonian friends who do much the same kind of work as I do. I put out their flags on their national days.

"I have not seen my country for more than 40 years, but I have beautiful memories of it. And one day it will be free."

Like the Poles, who also keep bright the embers of hope and who have a government-in-exile in Belgrade, complete with president and cabinet, the Baltic state people have a certain sympathy for those Afghan people opposed to the Russians.

Meanwhile, the staff at the Afghan Embassy in London are in diplomatic limbo. The govern-

ment is not recognized and for the time being the staff are crossed off the Foreign Office reception list. "The staff is in an anomalous position," the FO said, adding gently: "This kind of interregnum is not unprecedented."

More on the subject of aclastic: I report an incident in the British Museum. At the Vikings exhibition there the other day there was some guffawing among security staff in the area of the wattle and daub Viking house. One of the wattle, had discovered on the floor, was of interest and amusement. My friend saw a guard emerge, singly, bearing an item of female underwear, white in colour and not of Viking origin. This was consigned to a bin. I presume that an aclastic failure lay at the root of this occurrence. But there is a high-spirited Viking photo about, and ladies venturing to the exhibition would do well to make a certain security check.

Trevor Fishlock



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THE ROAD TO HYPER-INFLATION IS PAVED WITH GOOD INTENTIONS

The first impression of the Downing Street corral is that the film has been miscast. It is the good guys in white hats who are in the wrong and the bad guys in black hats who are in the right. There is no doubt who the good guys are. They are Sir Ian Gilmour, Lord Carrington, Mr James Prior, Mr Peter Walker and, for most of the time, Mr Norman St John Stevas. It is said by some people that Mr Whitelaw is not as much of a good guy as he looks, but he is unquestionably a cowboy on the OK ranch.

The odd thing about the good guys is that they are indeed good. They are sympathetic and interesting politicians who have a sense of the unity of Britain, and a consciousness of their descent from the moderate and progressive wing of the Conservative Party. Their politics may be tender, when judged by the psychological division between tough and tender-mindedness, but their characters are not feeble. Mr Whitelaw's courage in Northern Ireland, Mr Prior's tough defence of a moderate if mistaken policy, Lord Carrington's vigorous pursuit of his political objectives, make the adjective "wet" singularly inappropriate. It would be just as appropriate to describe Sir Winston Churchill as wet for having served under Asquith and above Butler in reforming governments.

Wrong about two things

If the good guys are in error—and, alas, they are—it is not the result of belonging to the wrong political tradition, because indeed they belong to the better one; nor is it the result of weakness of character, for their characters are at least as strong as the characters of those whose policies they criticize. They are wrong about two things. They do not understand the difference between the 1950s and the 1980s and they do not understand economics. They are historically out of phase and intellectually out of their depth.

It is sometimes represented that the division in the Cabinet is between Friedmanites and Keynesians. Indeed the economic knowledge of the Treasury ministers has been slightly referred to as "A" level economics, as though A level examiners were all Friedmanites. Would they were! The division is much more nearly between those who take economics seriously, and those who know little or no economics at all.

It is doubtful whether either Lord Carrington or Mr Whitelaw has ever read any work of economics of any school at any time in his life. If either ever has, it has left no impression on his public discussion of events. Sir Ian Gilmour may at some point have read Keynes's General Theory, but while he is widely and deeply read in political theory he seems to regard economics with a nauseous distaste. Mr Peter Walker does have views about economics but it is not the subject on which his grip is most firm.

Mr Norman St John Stevas has edited Bagehot; he will be remembered as the distinguished editor of Bagehot in two centuries' time when his work as *Leader of the House* may no longer be in the forefront of people's minds. Bagehot was an extremely good economist, and if Mr St John Stevas would apply Bagehot's principles to our present problems his contribution would be very valuable. There is unfortunately a surprising contrast in matters of

economic policy between the scholarship of the editor and the simplicity of the politician.

Mr James Prior cares enough about economics to be emotionally stirred by them. He can become very angry about economic propositions which he believes will damage social welfare. Yet he is not given to analysing alternatives. When confronted with an unwelcome economic proposition he will turn and charge, as it is said that an enraged rhinoceros will turn and charge at the sound of his own droppings.

No soft options to hand

We have therefore a conflict inside the Conservative Cabinet not between Friedmanites and Keynesians, but between economists and non-economists. It is true that there are Conservatives outside the Government who have studied economics and who do disagree with the views of the Prime Minister, of Sir Keith Joseph and of the Treasury ministers. One of the most interesting of these is Mr Peter Tapsell, who has spent twenty years on the back benches as a penalty for being too intelligent for the comfort of one Conservative government or another. Yet his main weight in Cabinet consists of men who reject or distrust the Government's economic policy not because they have an alternative economic analysis which they are simply not competent to make—but because they do not want people to be hurt by deflation, and cannot bring themselves to accept that higher inflation would hurt them still more.

The social welfare conservatism which developed after the war under the leadership of Lord Butler was firmly founded on the economic circumstances of that time. In the early 1950s there were comparatively low rates of inflation and the government's share of national expenditure was also still comparatively low. In the 1980s we have very high rates of inflation and the government share of national expenditure is extremely high. No policy is viable which will not reduce inflation, which is itself a great social evil.

The situation of the country has changed in a way not unlike that of the Nuffield Foundation. When the Nuffield Foundation was begun it had a large income from a highly profitable car industry. Now it has a much smaller income from diversified investments. It can afford fewer charitable works. In the 1950s Britain was a country which was becoming richer and there was a fund available for improvement. In the 1980s Britain is a country where the wealth-creating base of the economy is shrinking rapidly. It is possible to increase the burden on an expanding base; it is madness to increase the burden on a shrinking base. To attempt to apply the principles of the 1950s to the circumstances of the 1980s is not compassion; it is an invitation to catastrophe.

This can be seen most clearly when one comes to look at alternatives. The tender-minded members of the Cabinet want to soften the impact of government policy on the nation; so far as that is purely a matter of political tactics—as Mrs Thatcher argued last night—there may be a case for it. Yet if it is a matter of general strategy it implies that the central objectives of government policy would have to be changed. If the impact of government policy is to be softened, the policy will have to be softened as well.

A HISTORIC EXCHANGE OF AMBASSADORS

Today, nine months after the ratification of the peace treaty between Israel and Egypt and eleven months after its signature, ambassadors from the two countries to each other will present their credentials. That completes what one might call the political implementation of the treaty. The military implementation—the withdrawal of Israeli forces from Sinai—completed its interim stage a month ago, so that Egypt has regained sovereignty over two thirds (or, according to President Sadat's calculation, eighty per cent) of the peninsula. The remaining area is not due to be handed over until May 1982. That is a measure of Israel's real contribution to peace. Meanwhile the economic and cultural implementation is beginning.

So far so good, indeed splendid. But what of the "just, comprehensive and lasting peace in the Middle East" of whose "urgent necessity" the two governments declared themselves convinced in the preamble to the treaty? On this front, it has to be admitted that things still do not look too hopeful. The other Arab parties remain completely unimpressed by the Camp David framework, and President Sadat himself no longer seems confident of reaching a satisfactory agreement on Palestinian autonomy before the May 26 deadline. In an interview with Italian television last week he said that the time had now

come for the West to put more pressure on Israel to make concessions sufficient to attract Palestinian participation.

It is increasingly obvious that peace between Israel and Egypt, while unquestionably an excellent thing in itself and a step in the right direction, does not *ipso facto* remove the Arab-Israeli conflict as a source of bitterness and misunderstanding between the West and the Arab world, as indeed the Muslim world, as a whole. This fact clearly impressed itself very vividly on Lord Carrington's mind during his tour of Muslim countries.

He clearly understands now that the West cannot achieve full-hearted cooperation with the Arabs unless it is prepared to take a firmer and clearer line on the Palestinian issue and to make further movement towards a solution. This confirmed the view he had already expressed at the United Nations last September "supplementing" with something that was directly addressed to the Palestinian problem. Since his return from Asia, therefore, he has been sounding out opinions, mainly among his European colleagues, about what could be done, and in particular whether a new United Nations resolution would be useful.

To speak of a British "initiative" at this stage is clearly premature. The British government has no desire to interfere

If the critics do not want what the Chancellor and the Prime Minister are offering, what do they want? Do they want a higher public sector borrowing requirement? If so, are they going to finance it by higher interest rates or by higher inflation? Do they want public expenditure to be maintained or cut? If cut, where else would they cut it? If maintained, how will they pay for it? So they want higher taxes? On income, or on expenditure? There are no soft options in public expenditure: either the government cut expenditure, or they accept a higher borrowing requirement or higher taxes, or they will cause even higher inflation. Some increases in taxation are already inevitable.

Do the uncomfortable colleagues want to have a more rapid rate of increase of the money supply? Some of them talk about monetarism as if it were an alien doctrine which was lowering the standards of living of the British people and causing unemployment. In logic that ought to mean that they believe that a higher rate of increase in the money supply at the present moment would be to the benefit of the country. Do the anti-monetarists want more money to be poured into the economy, and can they believe that such an increase would not cause inflation to accelerate still more rapidly?

A bigger budget deficit or a larger increase in the money supply are the only alternatives in those harsh policies which at present tend to make the Government unpopular. The price of either is higher inflation. Past governments have tried to get out of this difficulty by imposing incomes policy. Here again there are questions to be put to those members of the Government who are not fully behind the policy of the Treasury ministers.

Far too short a time

Do they believe, as politicians, that statutory or voluntary incomes policy is open to the Conservative Government, given the present attitude of the trade unions? If they do not, then incomes policy can be discarded, at least for the present and for a Conservative government. Do they believe that an incomes policy, supposing it could be achieved, would make a larger government deficit or a higher rate of increase of money supply desirable? The attempt to combine inflation of the money supply with restriction of pay through incomes policy has proved disastrous whenever and wherever it has been applied. Some economists advocate protection, but protection would tend to increase rather than reduce inflation.

There are other issues of policy which the Cabinet is not all of one mind. Some members of the Cabinet are uneasy about Sir Keith Joseph's handling of the steel strike, but support Mr Prior on his limited trade union reforms. Others see things the other way round. We are critical of both aspects of policy. But the central question is economic policy. The Government are committed to a long and painful attempt to reduce inflation by fiscal and monetary means. They have been in power for nine months, far too short a time for success. Can it be right to relax the attempt and return to more inflationary policies in order to ease the pain, when inflation is still moving towards twenty per cent? Faster money growth would not reduce unemployment; its only enduring result is higher inflation.

with the Camp David process, and if any initiative does emerge it is unlikely to be until after the May 26 deadline has expired. But reports that the British Government is even thinking of trying to devise a procedure by which the Palestine Liberation Organization might be brought into the peace process have been enough to provoke Israeli condemnation. Israelis see the PLO as a terrorist body dedicated to the destruction of their state. They view the idea of negotiating with it much as Mr Ian Paisley would view negotiations with the IRA. But Palestinians see the PLO (whatever its faults) as the only effective political representation of their nationhood. Somehow this circle will eventually have to be squared.

There is a chance that, if real autonomy is offered, the PLO will be content for a time with a role in the background rather than insisting on direct and immediate recognition—though it is debatable whether that is really in Israel's interests since it would also enable the PLO to escape the clear commitment to recognition of and peaceful co-existence with Israel which is the inevitable price of its direct participation. That is a price which the PLO must be prepared to pay. But equally the Israelis have to accept that recognition of Palestinian nationhood is the price that they have to pay, sooner or later, for peace with the Arab world as a whole.

Getting value for our rates

From Mr P. R. Phillips
RN (retired)

Sir, I have been a local government officer for one year longer than Miss Arrowsmith (February 20). I was first employed in 1971 by a county council and I headed a very small department, the function of which was introduced by new legislation at that time. The staff involved was myself plus two.

In May, 1973, following Scottish local government reorganization, the functions of my department were transferred to the regional council. The constituent authorities, two counties and a city, prior to reorganization employed 34.3-11-17 on the function concerned. Following reorganization the staff employed quickly increased to a total of 24, the whole of the increase forming the regional headquarters unit which was superimposed on the existing departments.

From my observation the inflation of the department in which I continued to serve was but a microcosm of what happened in other, larger departments and it is therefore not surprising that a significant part of the rise in local government expenditure may be found.

In terms of personal remuneration the consequences have in no way been so inflationary. In relation to the cost of the police, with whom I work very closely, my salary in 1971 equated to that of a senior chief inspector. It now equates to that of a junior sergeant.

I am, Sir, your obedient servant,
D. H. D. MERRIN,
Farnell Castle,
by Evesham,
Angus.
February 20.

Ultra and Matapan

From Mr Donald McCormick

Sir, Dr Giulio DiVita (February 18), in somewhat ungallantly denying "Cynthia" any credit for obtaining Italian naval codes and intelligence, would seem to suggest that Blechley won the war all on its own. A war which relied on a single source of information such as this would soon have been trapped into strategic errors. Blechley, of course, played a great part, but it required constant checks from other sources of intelligence and, not least, help from those who could (sometimes at great personal risk) help to disguise the fact that the Government Code and Cypher School was deciphering enemy signals so effectively.

There is one vital paragraph in my book *Spy* (published under the nom-de-plume of Richard Deacon) which Dr DiVita either missed or ignored: "... another important role which Cynthia played was to help disguise a major source of intelligence among messages which was through Ultra (Blechley) itself. In due course news of the burglary of the Vichy Embassy in Washington was leaked to the Germans in a deliberate attempt to mislead them about the vital work of the Blechley team."

Yours faithfully,
DONALD MCCORMICK,
8 Barry Court,
Beckenham,
Kent.
February 22

Split definitive

From Mr Marcus Shloimovitz

Sir, May I refer to Mr Bernard Levin's article headed "By definition a word to the wise" in *The Times* of January 29, attacking me for my campaign for the removal of maligning definitions of the word "Jew" from certain English dictionaries.

I am appalled at Mr Levin—a champion of human rights—being seeking to undermine my efforts. Lexicography is the art or process of compiling lexicons or dictionaries. This does not include licence to publish medieval falsehoods to mislead the general public (Jews) in history. It is ludicrous for Mr Levin to imply that lies about Jews cannot cause antisemitism.

According to the sentiments of his article he obviously feels that the definition of Jew ("a person, miser, one who drives a hard bargain, to bargain sharply with; beat (down) in price; to cheat; swindle or defraud") should not be expunged from dictionaries. He rebukes Cassell's publishers of Cassell's English Dictionary for dropping their earlier definitions of the word "Jew" which I condemned as unjustifiable and maligning. Is Mr Levin setting himself up as a superior lexicographer and censor?

I am sure there are enough right-minded people in this great democracy who feel the way I do. I have had letters of support for my campaign from Mr Edward Heath, MP, Lord Hailsham, Lord Denning, Lord Justice Salmon, Lord Gardiner and others.

Yours sincerely,
MARCUS SHOLOIMOVITZ,
33 Rowe Street,
Salford,
Lancashire,
February 22.

Transport in London

From Mr A. J. Blackburn

Sir, Mr Stephen Plowden and Mr Harley Sherlock of the London Amenity and Transport Association (February 18), blame the present administration at the GLC for the proposed reduction in weekend bus services in London. Whilst I would agree with them that the GLC has failed to develop a coherent strategy for making proper use of the existing roads in relieving traffic and favouring buses, I disagree that the fault lies with the GLC.

Weekend bus cuts are matters of day-to-day running for which the London Transport Executive is responsible under the Transport (London) Act, 1969. That authority must not be allowed to duck blame directed elsewhere but which should be aimed at it.

London Transport has consistently since 1970 refused to consider constructive suggestions for improving the bus services put to them by transport users' groups concerning simpler fares, more efficient use of manpower (for example, by drafting conductors onto one man buses in the rush hours) and as to changes in the pattern of services.

My experience as chairman of a local passengers' group and as a current member of London Transport Passengers Committee is that the service is run for the benefit of their own planners and not for passengers. The reduction in the number of buses running at weekends is the potential for leisure use is at its highest is a further example of this inability to respond to the needs of the consumer.

The quality of London's public transport system now falls below the standards set by provincial authorities, eg. the West Midlands, and by cities abroad. Whilst such cities

Trade unions and the rule of law

From Mr P. R. Phillips

Sir, It is perhaps not surprising in view of Mr Melville Williams's participation in the *MacShane* case that the views he expresses in his letter to you today (February 22) should be so one-sided.

The justification for the appeal to the House of Lords in the *MacShane* case—and possibly the reason for which, most unusually, leave to bring the appeal was given—was that the point had not previously been argued in the House of Lords. *Conway v Wade*, in the words of Lord Wilberforce, has been entitled to great respect if it bore upon the point but it did not. The issues at stake therefore were new.

Nor did they simply involve determining the natural or ordinary meaning of the words. As Professor Atiyah said in his letter published on February 12: "several alternative constructions were canvassed [in the *MacShane* case] and, as a pure matter of language, the wholly subjective approach adopted by the majority is far from being the most plausible."

Mr Melville Williams's reference to the danger of involving the courts in industrial matters is no more persuasive. The courts by their nature must be involved, whether as back-seat driver or otherwise, in difficult problems, some of which will be of the greatest public importance, and they must not shrink from these. The industrial tribunal system has shown that the law can play a useful part in industrial disputes. It is simply a question of getting the law right first.

Yours faithfully,
P. R. PHILLIPS,
21 Holborn Viaduct, EC1.
February 22.

From Mr A. F. Wilcox

Sir, In dealing with obstruction and violence on the picket lines, magistrates have a more positive role to play than they seem willing to undertake.

They can hardly be said to be showing a sense of urgency in upholding the law if they remand for six weeks, or sometimes for months, those charged with the crime (applied to obstruction or disorderly behaviour). These offences—including assault on the police—are triable summarily in summary courts designed to administer summary justice. The courts are congested, but it cannot be accepted that in an emergency it is impossible to arrange for special courts to be held.

There may, of course, be legitimate reasons for remanding the defendant, but whatever the reasons for delay magistrates, as conservators of the Queen's peace, have the power to bind over to be

Where BBC axe may fall

From Mr Vincent Hanna and others

Sir, Within the next few days, the BBC's senior management will be presenting to its employees a package of cuts in radio and television expenditure. It has become clear that the cuts—designed to offset a deficiency of £130m in the corporation's budget—will mean a massive reduction in the BBC's services to the regions. The directors and controllers have given scant information so far about their intentions, but a series of "authorised leaks" suggests that the regional radio and television stations will be asked to take a 12½ per cent cut in costs—as against a 2½ per cent cut for national network.

At the very least, this will mean halving the region's output of television features (the half-hour programme on Tuesday and Friday nights), the loss of their Saturday sports programmes, the disappearance of VHF Radio 4 bulletins, and a serious diminution in quality of the daily news programme. The 25-minute local sections of Nationwide.

Regional broadcasting has become a vital part of the service for licence-holders pay. Specifically, it can respond quickly and informatively to the events and affairs that affect its listeners and viewers: it does this in a way no centralised broadcasting could do on a daily basis. Without regional news, comparisons to be made, say in the coverage of a regional story which has national implications, regional BBC stations can do the job at a fraction of the cost and, many would say, with far more satisfactory results.

Thus, many films and reports that have appeared on national programmes, ie, those transmitted from London, have originally appeared

Rugby violence

From Mr W. L. Kendall

Sir, I was surprised to read the letter from Mr James Anderton in your February 20 issue on violence in sport. My surprise is not due to the fairness of his views (eg, on Mr Anderton's thesis, every game of rugby football is technically "causing an affray" and, on the Government's recent advice on mass picketing, the mere fact that some 60,000 people turned up at Twickenham last Saturday could be regarded as "an unlawful assembly"!), but to the fact that he has the temerity to make them in his capacity as Chief Constable of Manchester.

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Footnote the EEC tax bill

From Sir M. A. Colm

Sir, The United Kingdom continues to face intransigence over lamb exports and an outrageous EEC tax bill.

The solution to both problems is to be found in the reaction of A. P. Herbert who paid what he considered to be an excessive income tax demand with a cheque written on a cow. Let us pay our tax in Brussels with lambs, valued at course at French prices. (We could even transport them in unsold BL cars.)

Yours faithfully,
M. A. COLM,
141 Parc Noirlande,
Brussels,
February 19.

Tory attitudes

From Mr V. Montagu

Sir, You supply a title to Lord Alport's letter (February 21) "Better 'war' or 'hard-faced'?" which poses a question he does not in his letter attempt to answer. His list of distinguished statesmen who exemplify "caring conservatism" should surely have included Stanley Baldwin, who was neither "wet" nor "hard-faced" and, from the point of view of internal politics, was the greatest of them all.

Lord Alport also fails to include the name of Mr James Prior, who now seems to bear the palm alone. Why is Mr Prior alone? It is not because the nation's instinct, after 60 years of relative international decline, is to turn to a new governing ethic must be found to save our state. We need a touch of the whip to set us off at a spanking pace, and, no doubt, Professor Friedman has come over here to apply it.

Yours faithfully,
VICTOR MONTAGU,
Maperton,
Bosminster,
Dorset.
February 21.

From Mr Christopher Bowring

Sir, Lord Alport is wrong to compare the present Conservative Government with those of the 1950s. Never in modern times has an incoming administration had to deal with both an acute problem of inflation and an economy whose response to the market had been so distorted by nationalization and socialist intervention.

In view of his description of "these hard men" in Government it is not surprising that he should note that not only would the present policy of deflation have had to be followed, no matter which government was in power, *pace* Mr Callaghan in 1976, but the fact that they have now become so necessary may, in part, be blamed on those "wets" who were part who failed to reverse the progress of socialism.

Yours faithfully,
CHRISTOPHER J. BOWRING,
55 Alexander Road,
Reading,
Berkshire.
February 21.

Help for council tenants

From Councilor Gavin Oram

Sir, The recent letter from a director of Shelter on mortgage tax relief and other housing subsidies (Mr Neil McIntosh, February 14) appears to ignore many of the effects of recent government action in this field.

The Chancellor of the Exchequer, in June, 1979, took two decisive steps to affect the position of higher income earners by raising the £25,000 ceiling for mortgage tax relief, and by the reduction in income tax rates.

The maintenance of the £25,000 ceiling introduced in 1974, despite heavy pressure to increase the limit, has effectively reduced the subsidy for those on higher incomes. Following the rise in earnings at all levels, proportionately less of the higher income homebuyer's mortgage cost can now be offset by tax relief, thus correctly concentrating the benefits for those on lower incomes and first time buyers. Moreover, reductions in income tax, as well as top rates of tax, have diluted the rate of

Tough economic battle ahead for Ireland, page 17

Gospel according to St Milton, page 17

THE TIMES

BUSINESS NEWS

Stock markets	
FT 100 453.7, down 0.5	FT 100 65.63, down 0.22
Sterling	
\$2.2770, up 10 points	Index 72.9, up 0.1
Dollar	
Index 86.2, up 0.1	
Gold	
\$67.25, down \$2	
Money	
3 month sterling, 371-371.5	
3 month Euro-S, 161-161.5	
6 month Euro-S, 161-161.5	

IN BRIEF

Judge sets date for Sasse action

The Sasse dispute at Lloyd's will not be solved for at least a year. Justice Mustill in the High Court yesterday set January 22 next year as the date for first hearings on the legal battle over the Sasse syndicate which was suspended because of losses of more than £20m. He refused applications from members of the syndicate, who are suing Lloyd's over the losses to hear actions in separate parts.

£132m for Koreans

South Korea is arranging its first international loan since President Park Chung-hee was assassinated last October. Korea Exchange Bank is raising \$300m (more than £130m) at 1 per cent over the London interbank rate for the first three years and 2 per cent for the remaining five. Bankers apparently have confidence in the country's future and the size of the loan could be increased.

Small businesses plea

The Association of Independent Businesses yesterday appealed to the building societies to let small entrepreneurs release some of the equity from their home to finance their business. It also asked the Government to guarantee small enterprise loans which could then be sold to the institutions to raise finance.

Belgian prices surge

Belgium's February consumer price index increased by 0.75 per cent on the January figure and was 6.4 per cent above the level in February last year. It was the sharpest monthly surge in prices in six years.

Machine tool orders

Orders received by manufacturers of machine tools rose by \$92.15m (about £41m), or 23.9 per cent, to \$498.45m in January. Orders had fallen by 7.1 per cent in December and the January level was 3.8 per cent below that of a year earlier.

Cadbury Cairo link

Cadbury Schweppes has signed a franchise agreement for a Cairo bottling plant to produce initially tonic water and then other soft drinks under the company's labels. Production is expected to begin next year and a further plant at Alexandria is under discussion.

Leyland Ugandan deal

Leyland Vehicles yesterday signed a £10.7m deal for the supply of trucks, buses and Land-Rovers to the new Ugandan government. The company's two Scottish plants will supply 290 truck and bus chassis.

Opec meeting set

A special meeting of the Organisation for Petroleum Exporting Countries (Opec) to study the recommendations of its strategy committee on pricing will likely be held in the first week of May in Taif, Saudi Arabia.

Carter review of economic policy as pressure mounts for tough moves on inflation

From Frank Vogl, Washington, Feb 25

President Carter has launched a full-scale review of economic policy just four weeks after announcing his budget. Major public spending cuts are under consideration.

The White House clearly underestimated inflationary pressures in drafting its budget and its new review is an admission of this. The President is under pressure from Congress, from leaders in financial markets and from the central bank, to view today's record level inflation and interest rates as a national emergency.

Mr Paul Volcker, chairman of the Federal Reserve Board, left no doubt today that he expects decisive anti-inflation policy action from the President. He told the Senate Banking Committee that "we are at a very crucial juncture" where instead of seeing inflation moderate, there was a real danger of an acceleration in the pace.

According to informed sources the President's top economic policy advisers are "thrashing around" a host of options, recognizing that the latest inflation figures, showing both wholesale and consumer prices rising at record rates (respectively annual rates of 19.2 per cent and 16 per cent), are making it politically impossible for the President to act.

"The main aim must be to curb the increased inflationary expectations unleashed by the new data," said one source. There is talk of possibly a \$15,000m to \$20,000m cut in public spending being proposed by the President for non-defence areas for both the current and the next fiscal years. In addition, once again the chief economic policy architects of the Administration are believed to be contemplating a

new petrol tax to raise general revenues and increase energy conservation.

President Carter does not have legislative authority to impose wage and price controls and, at the moment, at least, he is opposed to seeking such authority from Congress. Mr Volcker said today that he opposed exchange controls, selective credit controls, or credit allocation schemes, and that he also opposed wage and price controls.

Mr Volcker said that his own experience with wage and price controls had not been a happy one and he reminded senators that he had held a top Treasury position when controls were last imposed in August, 1971.

He added that in his opinion the nation's economic situation now was even more serious than it was then, when President Nixon imposed controls, ended gold convertibility for the dollar and imposed import surcharges.

Indeed the chairman of the Fed sounded even more worried about the economic outlook today than at any time in recent months and he repeatedly stressed the need for immediate energy policy and fiscal policy actions. He said "The time is right now for decisive action... we need coordinated action."

Mr Volcker said that new monetary policies were appropriate for today's conditions and that the Fed was determined "to stick with it... to remain firm," and secure a lowering of the money supply growth rate. "We have set a policy of restraint," he said. "We have set a policy of restraint which is not inconsistent with inflation. I would greatly welcome restraint on public spending."

The Fed chairman went still further and said that the major danger to the nation was accelerating inflation that would

end in a really serious recession. He hoped the latest figures would focus people's mind on the seriousness of the situation and lead to actions being taken.

Under questioning he said government incentives to exporters must be maintained and it had to be recognized that "we have this enormous balance of payments problem." He said the current account would be in deficit again this year and urgent action was needed to cut energy imports. He said he did not expect petrol taxes of say 50 cents per gallon.

In a specific question from Senator William Proxmire on the use of foreign exchange controls the central banker said that the experience of the 1960s and the early 1970s suggested that controls did not work. He said that he could not conceive of an effective currency controls scheme.

The priority being given by President Carter to develop new policies was indicated by the highly unusual convening of a White House meeting on Sunday night.

The President met for two hours with Mr William Miller, the secretary of the treasury, Mr James McGinty, the director of the budget, Mr Charles Duncan, the secretary of energy, Dr Charles Schultz, chief economic adviser, who had to cut short a trip to Miami to attend, and by Mr Stuart Eizenstat, chief domestic affairs assistant to the president.

If there are new White House budget decisions, which seem quite likely, they will probably be decided upon after considerable soundings have been taken on Capitol Hill and around the country, to determine the political damage that severe fiscal restraint can produce for the president in this election year.

OECD promises huge aid programme to help Turkey

Paris, Feb 25.—Western industrial nations and Japan today unanimously endorsed Turkey's economic development programme, clearing the way for new and substantial aid.

Mr Emil van Lennep, secretary-general of the Organization for Economic Cooperation and Development (OECD), said that Turkey presented "a comprehensive economic stabilization programme" as well as a "policy of economic policy calling for fewer controls and greater reliance on foreign resources."

"We unanimously felt that the programme was appropriate and valuable and deserves the full support of OECD member countries," he said at a news conference at the end of a meeting of the OECD in Paris.

Mr van Lennep declined to give specific figures of Turkey's immediate and short-term financial requirements. A "pledging session" would be held on March 26.

Mr Turgut Ozal, coordinator of Turkey's economic policy, who presented his country's case, told reporters that

Turkey's programme was designed "to get it out of the crisis as soon as possible. We hope that with the support of the OECD the situation in Turkey will revert to normal within a couple of years."

Mr Ozal said that Turkey's payment on interest and principal of its debt amounted to about \$2,300m (about £1,000m) for 1980 and \$3,300m for 1983. The financial shortfall in the years 1980 and 1983 to cover Turkey's payments needs would amount to an average of more than \$1,800m a year.

Sources said that Turkey had asked the OECD donor countries either to grant aid totalling between \$8,000m and \$9,000m over

the next five years or reschedule a similar amount of Turkey's overall debt estimated at more than \$14,000m.

Mr Ozal declined to confirm or deny the figures, saying only that OECD pledges for 1980 would be substantially above the \$950m committed last year.

Mr Ozal is also reported to have asked more favourable terms for future aid—10 years' repayment with a four-year grace period, instead of seven years with three year grace periods as previously.

Last week the International Monetary Fund agreed to grant Turkey immediate financial assistance totalling about \$223m. —AP-Dow Jones.

Computer companies plan new lobby group

By Kenneth Owen

Technology Editor

Leading British-owned companies in the computer industry, including Ferranti, GEC Computers and ICL, are holding discussions aimed at forming a new organization which would lobby the Government and Parliament on behalf of the industry.

The suggested name for the proposed new body is United Kingdom Information Technology Association (UKITA).

It would advise the Government and Parliament on behalf of the British-owned and controlled computer industry on political, technological and commercial matters of national importance.

It would also monitor the implementation of international trading arrangements in order to remove any discrimination against United Kingdom interests. Membership would be open to United Kingdom-owned and controlled companies concerned with the design, development, assembly, manufacture, maintenance and marketing of products and services in computing.

At a first meeting on January 28, the proposed lobby was discussed by representatives from a variety of companies in the computer industry. Hardware companies included GEC Computers, Ferranti, ICL and

Half Krugerrand

South Africa is minting a new gold coin, the half Krugerrand. The coin, exactly half the size of the existing Krugerrand, will be minted later this year, Mr Owen Horwood, the finance minister, said. The gold price has risen to such an extent that a large part of the Krugerrand market remained untapped.

Copper prices slump

Poor physical demand and a rise in stocks last week—the first for 14 months—sent copper prices down sharply on the London Metal Exchange. Cash wire bars closed £40 per tonne down on the day at £1,160 and three-month futures were £40 down at £1,179.50 per tonne.



Mr Yigael Hurwitz, Minister of Finance, today submitted to Parliament a budget of 65,300m shekels (about £7,330m) for the fiscal year starting in April. Mr Hurwitz's first budget since he took on the finance portfolio provides for a 6 per cent cut in government spending on services and staff in an attempt to curb inflation and lessen the widening gap in the international balance of payments.

Israel cuts government spending 6 per cent

By Moshe Brilliant, Tel Aviv, Feb 25

Mr Yigael Hurwitz, the Israeli Finance Minister, today submitted to Parliament a budget of 65,300m shekels (about £7,330m) for the fiscal year starting in April. Mr Hurwitz's first budget since he took on the finance portfolio provides for a 6 per cent cut in government spending on services and staff in an attempt to curb inflation and lessen the widening gap in the international balance of payments.

The estimates will be revised in the middle of the year in accordance with changes in the average level of prices and other economic developments. A deficit of £292m is expected.

Mr Hurwitz said his harsh budget was part of a policy of economic restraint which he expected to reduce drastically the annual rate of inflation. However it was not expected to reduce the balance of payments deficit but only to freeze it.

The Minister explained the country's fuel bill would increase by \$900m (£396.5m) and the expected 9 per cent growth in Israel's exports and a substantial reduction in imports of consumer goods would merely offset it.

Three factors were beyond the government's control. These were payments of debts (£2,179m in 1979 terms), housing (£275m) and security (£2,370m).

Housing spending could not be cut because of commitment to new immigrants, young couples and slum dwellers. The defence budget could not be reduced because of commitments to evacuate Sinai and to prepare for a possible invasion of the city, water, airfields, supply and maintenance bases for the re-deployment in the Negev.

He acknowledged the government's policy would create pockets of unemployment and said the situation would be used to reduce the unhealthy occupational structure in Israel society. People who lost their jobs in the services would be encouraged and assisted to move to agriculture, industry and tourism and particularly enterprises working for exports.

He said 4,000 civil service posts would be abolished and it was the first time the government had retrenched by cutting back on staff instead of investments.

The estimates provide for no change in tax rates but the Minister said revenue would be increased by tough measures against tax evaders.

NEB tells accountants to seek alternative bid for Fairey

By Philip Robinson

The National Enterprise Board has instructed Peat Marwick Mitchell, the accountants, to look at other ways of disposing of Fairey Holdings after Hambros' £19.5m bid for the engineering company.

In a statement last night, the NEB said that the investigation would assist the board in examining the Hambros' bid and other choices, but has emphasized that no other firm offers have been received.

The NEB said that the offer from Hambros would be carefully evaluated, "as will any other approaches from the City and industry", but it stressed that considering the offer it would keep in mind that the Government had made it plain that any of the NEB disposals should have regard for the interests of the taxpayer and the company involved.

This is being taken in the City as a hint that Hambros' offer to take the engineering company, which the NEB bought from the receiver two years ago for £20m, is not high enough.

In 1976, Fairey was in the NEB books at £18.1m, without any retained profits. It is thought that a figure nearer £22.5m or £23m would be more favourably received.

The NEB has also instructed Peat Marwick to complete an audit of Fairey's results for the year to December 31 as soon as possible, and prepare a cash flow forecast. Fairey's pre-tax profits for 1976 were about £5.2m and it is thought that last year's results, due out in the first week of April, will be largely unchanged.

The NEB's swift action, it says, will reduce the period of uncertainty for the company. Mr Angus Murray, Fairey's

chairman, has confirmed that he and his board will give the NEB all the help and cooperation it needs.

Hambros' bid, if successful, would be to buy Fairey complete and then, with two intermediaries, place the bulk of its equity with about a dozen investment institutions. They in turn would expect to float Fairey as a public company once again in about two years.

It had been thought that 12 investment groups had already committed themselves to backing the merchant bank's bid and were ready to take a share of Fairey. But Hambros said yesterday that no institutions had given a firm commitment on the scheme, although a number had expressed interest in taking a stake.

Equity Capital for Industry, which was believed to be a leading contender, has denied any involvement in the deal.

Coal cash plan lays stress on efficiency

By Nicholas Hirst

A Bill to inject more money into the hard-pressed National Coal Board will be presented to Parliament in the next few weeks.

The Government is keen to show its enthusiasm for developing Britain's coal industry as part of its three-pronged strategy to develop power to solve the energy shortage which could develop as North Sea oil and gas reserves decline towards the end of the century.

The Coal Bill would have been published already if it had not been held back by steel strikes but there are clear political difficulties in presenting a Bill which supports the mining industry while miners can be seen disrupting private steelworks at mass pickets.

The Government has indicated it will be to defer coal board interest payments on debts on the £600m a year investment programme until developments are completed.

Interest charges are running at more than £20m a year on money borrowed from the Government to develop new mines such as Selby. Plans to develop the north-east Leicestershire coal field at Belvoir—if they pass the public inquiry being held—will further increase the coal board's debt. A profitable return many years in the future.

The Government is particularly keen that the investment programme should concentrate on developing new, efficient and potentially highly profitable pits into production so that older loss-making pits may be closed down.

Manpower requirements will grow in new areas but decline in traditional mining communities. An accelerated programme of pit closures is sought and, to lessen the protest from unions, the Bill will offer substantial help for miners prepared to transfer from old to new pits.

It is also expected that the coal board's borrowing powers will be raised to make it easier to raise external finance. This may ease the annual problem of meeting the miners' wage demand. Year after year the NCB is forced to ask for more money to meet pay increases, heightening the chances of a political storm.

The Bill will reaffirm the commitment to an expansion of the coal industry given by the six-year-old plan for coal which was endorsed by the Labour administration and will provide a balance to the emphasis put on the need for nuclear expansion given in a statement by Mr David Howell, Secretary of State for Energy, to Parliament in December.

400 back to work

Gearbox production was back to normal in the new expanded assembly area at Ford's Halewood, Liverpool, factory yesterday, when 400 men were recalled. They had been laid off for a fortnight because of a shortage of components.

Berkeley shares issue oversubscribed

By Peter Wainwright, Financial Staff

Dealings should begin on Wednesday in Berkeley Exploration and Production, the first public flotation under Stock Exchange Rule 163(3), which covers companies that do not meet all the requirements of those fully listed.

Yesterday Berkeley announced the basis of allotment to the offer for sale amid excitement in other second line oil shares fired by the takeover bid for Viking Oil from Deminor the German oil group.

The offer for sale of 3 million £1 ordinary shares, 50p paid, attracted applications for 123.9 million, making the issue 41.3 times oversubscribed.

Berkeley is an offshoot of Mr Paul Bristol's KCA International which is keeping 30 per cent of the shares. Berkeley siphons off the North Sea exploration interests of KCA.

The impression at Carr, Seab, Berkeley's broker, and Charterhouse Japhet, its merchant bank, was that the shares could start life at 35p premium.

KCA shareholders received yesterday a cash bonus of 10p per share. Of the 1.95 million shares available to them, all applicants for 100 shares received the lot; those with up to 2,000 shares who wanted more received 200 shares.

A total of 900,000 shares were available to the public in a white form. Those who put in for up to 1,000 shares went to a ballot for 100 shares; those seeking between 1,500 and 4,500 went to ballot for 200; and those wanting between 5,000 and 9,500 went to ballot for 300.

KCA shareholders were awarded 150,000 or 5 per cent of the offering and they were allowed to fall.

Berkeley's shares are a straight gamble on finding oil and gas in the North Sea. If the shares go to a big price, the company will be heavily selling on the first day or two of dealing to seize quick profits.

End in sight for Airfix as talks break down

By R. W. Shakespeare

Northern Industrial Correspondent

Final efforts to save the Airfix Industries factory at Liverpool now seem doomed. Take-over talks between Mr Ralph Erismann Airfix chairman and a Canadian group have broken down and the offer has been withdrawn.

Mr Erismann said yesterday: "I am sorry that we haven't been able to reach an agreement, but the stock alone is worth considerably more than the total sum I was offered."

This was the third unsuccessful bid for the factory which makes Meccano and Dinky Toys. Other offers came from Sheridan Investments, a Derbyshire based do-it-yourself company, and the Maharishi Yogi's Age of Enlightenment company.

Yesterday union officials had been making an attempt to get the Thursday deadline extended in view of the possibility of a takeover.

The three month strike by the dismissed workers now seems likely to crumble to an untidy end.

Some weeks ago Airfix announced that it would take no action about the strike until this Thursday, the date on which the statutory 90 days' notice period for the workers would end.

The company has since made it clear that as this date, it will consider applying for a court order to regain possession of the premises if any of the workers are continuing their occupation.

The company has kept open its offer of redundancy payments plus cash in lieu of the notice period and some "top-up" payments for long-serving workers. Most of the labour force have declined to accept the company's £1.5m pay-out in return for redundancy, ranging from £450 to £5,000.

Over the past week workers have been collecting their cheques from a special unit set up by Mr Derek Dodds, Meccano chief executive, at a Liverpool church hall, and the company has made a considerable acceptance of the redundancy payment that the workers concerned take no further part in the strike.

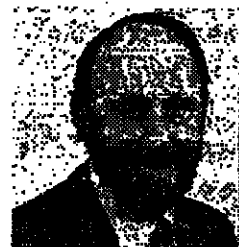
Specialist cutting tools and machine tools

Brooke Tool Engineering (Holdings) Limited

PRE-TAX PROFITS	
1979	£495,000
1978	£324,000
1977	£161,000
1976	£54,000

First Quarter Profits ahead of last year

D. M. SANDY SAUNDERS
Chairman



Newtown House, Melford, Suffolk, Norfolk

AEROSPACE • AUTOMOTIVE • EDUCATION • ELECTRONICS
ENGINEERING • MINING • OIL SERVICES • TELECOMMUNICATIONS

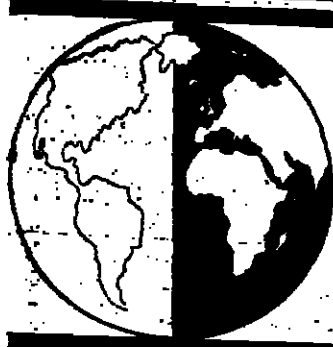
PRICE CHANGES

Rises	
Attack	26p to 234p
Bamburgh Stores	5p to 51p
Lamco	15p to 48p
Marshall's	31p to 62p
Marshall's Univ.	8p to 10p

Falls	
Avon Rubber	12p to 127p
Birmah Quinac	3p to 31p
Broken Hill	4p to 64p
Restair	2p to 29p
Man Ship Canal	15p to 20p

THE POUND	
Bank	Bank
buys	sells
Australia	2.10
Austria Sch	30.20
Belgium	63.70
Canada	2.67
Denmark Kr	12.90
Finland Mk	8.80
France Fr	6.48
Germany Dm	4.18
Greece Dr	89.00
Hongkong \$	11.85
Ireland P	13.10
Italy Lire	1950.00
Japan Yen	588.00
Netherlands Gld	4.60

Scientists discover alternative fuel source in plant of rubber family



Currency rules eased by South Africa

Johannesburg, Feb. 25—A number of relaxations in South Africa's strict exchange control rules were announced today by Mr. Owen Horwood, the finance minister.

The changes are fairly minor but underline the authorities' concern at the sharp build-up of domestic liquidity as a result of the recent surge in earnings from exports of gold and other precious metals.

Limits on local earnings payable to South African emigrants living abroad are being abolished. These payments have been subject to an annual ceiling of 100,000 rand (£57,800) a family.

Mr. Horwood also extended from six months to one year the period for which South African exporters may grant credit to foreign buyers.—AP-Dow Jones.

Malaysian uranium

Uranium has been discovered in an area of Malaysia near the Thai border, and in Pahang state. The New Straits Times reported the finds as "significant" and "as good as the Canadian uranium" but said their remoteness would hamper development.

Nuclear cooperation

The Soviet Union is considering an offer of Indian cooperation in the construction of a steel plant in Nigeria and a nuclear power plant in Libya, Mr. Pranab Mukherjee, the Indian commerce minister, announced.

Aluminium venture

A group of five Japanese companies plans to acquire a 20 per cent stake in a \$600m (£264m) project to build an aluminium refinery in New South Wales with an annual production capacity of 236,000 tonnes.

Pay deal accepted

Metalworkers in seven north German areas have accepted a 6.8 per cent wage rise with a supplement for the lower paid. It covers Schleswig-Holstein, Hamburg, Bremen and part of Lower Saxony.

Higher investment

Equipment investment planned by major Japanese corporations in fiscal 1980 beginning in April will increase by 17.1 per cent to total about \$3,600,000m yen (about £15,036m), from an estimated 7,140,000m yen in the current year, according to a survey of 506 corporations by a Japanese business newspaper.

Deeper Soviet oil

The Soviet Union has raised the price of the crude oil it sells to Finland in line with increases by the Organization of Petroleum Exporting Countries (Opec). Finland imports about seven million tons of Soviet oil a year.

Energy use increases

Energy consumption increased by 5 per cent in Finland in 1979 compared with the level in the previous year. The ministry of trade and industry said this was due to increased economic activity. The bill for imported energy was 60 per cent higher at 11,500m marks (about £1,365m).

Offshore output rises

Production of oil and gas from the Norwegian continental shelf rose to 4.71 million tonnes of oil equivalents in January from 3.29 million tonnes a year ago.

Trade gap widens

Hongkong's trade deficit widened in January to a provisional HK\$1,090m (about £100m), against a revised \$835m deficit in December and a \$230m shortfall in January last year.

Yugoslavia's target

The EEC and Yugoslavia announced that a key objective of their newly signed trade agreement is to cut the Communist nation's \$3,000m (£1,211m) trade deficit with the Nine.

Protest over 'disturbing' trend in trade barriers against UK products

Shoe industry fights cheap imports

If present import trends continue the next two to three years could see "an end of viability" for a large part of the British footwear industry, Mr. Spencer Crookenden, chairman of the National Economic Development Council's footwear economic development committee, said in London yesterday.

Mr. Crookenden was commenting on the Little Noddy's second annual report on the industry which puts forward a series of proposals to combat the imports problem and increase the British industry's competitiveness at home and abroad. Declining demand this year could face British makers with serious problems, the report predicts.

Mr. Crookenden said he did not wish to be too optimistic about prospects but the Little Noddy has nevertheless not revised downwards its key targets for the industry. These include an improvement in its share of the British market by 1982 in volume and particularly in value terms. It is also projecting an increase from 13 per cent in 1978 to 2 per cent in 1982 of the British share of the EEC market, one of the few not blocked by quotas or other restrictions.

But too little is being done by the Government to secure greater fairness in world trade in footwear, the report says. It is also profoundly disturbing that more and more countries are able to raise tariff and non-tariff barriers against British footwear without any counter measures being taken either by the British Government or the EEC, it states.

The Little Noddy is supporting the

British Footwear Manufacturers Association in attempting to secure EEC action under article 19 of the General Agreement on Tariffs and Trade (GATT) against imports of footwear from Brazil. Brazil has a complex system of subsidies for its shoe manufacturers which produces unfair price competition, it is claimed.

With imports accounting for 43 per cent of the British market, the Little Noddy is pressing the EEC to take initiative in developing a system for regulating world trade in footwear along the lines of the Multifibre Arrangement (MFA). The Government has rejected this idea but the Little Noddy believes it could be the only way to enable British manufacturers to compete on an equal basis in all markets.

An increasing worry for British manufacturers is growing penetration by the four major European producers—Italy, France, Spain and Portugal. These countries, with Brazil, increased the value of their exports to Britain by 36 per cent in 1978, accounting for 19 per cent of all footwear sold compared with 16 per cent in 1977. The trend appears to be continuing and at a faster rate.

Positive and aggressive attempts are needed by British makers to fight these imports which particularly threaten the quality leather-upper style of footwear that has been a traditional British strength, says the report. Some factories could be working for the United Kingdom industry; there are reported to be twice the number of complaints about imported shoes than about home produced footwear and Italian shoe prices are now reflecting recent considerable wage increases.

The Little Noddy is also still looking to a commitment by United Kingdom retailers to find ways of increasing sales of British-made footwear. A reinforcing of this commitment is urged in the report but the Little Noddy has acknowledged the pressure on retailers faced with the imports made cheaper by the effects of strengthened sterling.

Improvements in productivity by British makers and adequate profit levels to promote investment is urged in the report. The Government's £4.5m investment aid programme is expected to be fully taken up by the industry and should produce a total investment of between £30m and £35m, according to Mr. Crookenden.

The Government has so far turned down suggestions from the industry that a further £500,000 should be given to create more design teams in the British industry, but the Little Noddy is to continue to press for help, said Mr. Crookenden.

He added: "It is essential we have a viable home-based shoe manufacturing industry. We have now dropped below the 1978 benchmark in volume but, as against that, value has gone up." In 1978 British production declined by 3 per cent but value rose by more than 1 per cent.

Although some production centres, like Norwich, are busy, more than 1,000 redundancies were announced earlier this year in the industry as a whole and there is also short-term working. Nevertheless there is a shortage of trained operators.

Derek Harris

Australians sponsor scheme to carry coal in hydraulic pipelines

Australian mining companies are among the sponsors of a project to investigate the feasibility of carrying coal in hydraulic pipelines, being conducted by the British Hydro-mechanics Research Association (BHRA) at Cranfield. Half of the 14 sponsors are based in Australia.

Another BHRA technique, involving capsules, will travel along a pneumatic pipeline, has also attracted the interest of the Australian mining industry. This system, which has been demonstrated in a small-scale system at Milton Keynes, has now moved to the stage where it needs to be exploited by an industrial user.

The BHRA is discussing the system with a number of possible users, including a company in New South Wales concerned with moving coal.

In its recently published annual report for 1979, the BHRA says that the feasibility of pumping coarse coal by hydraulic pipeline has now been proved. The coal would be carried in a slurry along the pipeline.

As for the pneumatic capsule pipeline-work, previous studies were restricted to aspects of the mechanical components such as booster performance, capsule engineering and pipeline materials. Detailed information about the way in which a complete system will behave in practice was beyond the scope of the Milton Keynes test.

But a study project has been devised to investigate the type of operational problems likely to be found in commercial capsule pipeline systems, and exploring ways of overcoming these problems. Experimental work has concentrated on the design of soundly engineered, and robust capsules, and on the advancement of seal design.

Microcircuit project

The Wolfson Foundation has given a grant of £127,000 to Dr. Stanley Hurst, senior lecturer at Bath University's School of Electrical Engineering, to develop new methods of producing microelectronic circuits.

The research, to be conducted by the university in cooperation with Silicon Microsystems of Malmesbury in Wiltshire, is



Night-vision goggles developed by Hughes Aircraft Company in California are being evaluated by the United States Army. Known as holographic one-tube or HOT goggles, they incorporate a single-tube image intensifier (supplied by the Army) and diffraction-optics lenses made by the company using a process created to produce holographic pictures. The image intensifier projects a brightened image on the inside of the lenses so that the wearer can see better in darkness; while the lenses enable him to see through the same goggles if there is a sudden flash or other illumination.

Technology News

present-day conventions. The object is to produce a universal unit that can be used depending on the accompanying software and wiring for a collection of diverse microcircuitry functions.

Microelectronic developments of this type are regarded as essential if indigenous manufacturers are to compete with the expertise of the world market. Dr. Hurst said: "Failure of British equipment designers to exploit this development will be fatal to their long-term survival." Since the universal gate is a mathematical concept, the output will be a technique with accompanying software, the benefits of which should be enjoyed within the next three years by the researchers and those small quantity British microelectronic designers.

Computer file system

A new method of selecting and retrieving information at high speeds from computer files, developed at the ICL Research and Advanced Development Centre at Stevenage, has been sold by the computer company to the central selling organisation of De Beers, the world's largest rough diamond marketing group.

Known as the Content Addressable File Store (CAFS),

the new system enables complex searches of large data files to be completed in a few seconds. ICL claims a world lead for CAFS in computerized information retrieval.

In essence the system "sub-contracts" the searching operation from the mainframe computer to a special combination of hardware and software located in the controller of the magnetic disc storage unit. This technique is claimed to be much cheaper than conventional mainframe methods and 50 times faster than existing software-based information-retrieval systems, according to the company.

It can also handle up to 10 times as many simultaneous enquiries, and will cost half as much to set up.

De Beers markets rough diamonds from leading producers to the main diamond manufacturing centres. Computer models are used to help in forecasting trends and in planning.

Software market

The world market for "independent software"—computer

programs, sold by organizations other than computer manufacturers—is worth over £1,000m a year and is expected to grow at 25 per cent annually through the 1980s, according to The Computer Users' Year Book, Brighton.

More than 3,000 of these programs are listed in the first issue of an international directory of software just published by the Year Book. They include more than 400 programs for computer-aided design and production control. Descriptions are in a standard format.

Both systems software and applications programs are included. In addition to conventional tasks such as managing a company payroll system and sending out accounts, there are programs capable of measuring earthquake risks at construction sites, calculating flow rates for sewerage systems, designing hospitals and schools and advising farmers when to stop milking individual cows in a herd.

Kenneth Owen and Bill Johnstone

Advertising watchdog out to improve image

The Advertising Standards Authority yesterday announced steps in an advertising campaign to win public recognition for itself.

A series of advertisements will run in national and local newspapers, magazines and posters, boardings under the ASA's chosen slogan, "If an advertisement is wrong, we're here to put it right." The campaign will cost between £250,000 and £300,000.

A series of regional evenings will be promoted throughout the country at which ASA officials will explain the body's policies to workers in the

advertising industry. Lord Thomson of Monifieth, who requires as ASA chairman next month to become deputy and later full chairman of the Independent Broadcasting Authority, said yesterday: "If (the promotional campaign) coincides with a general decision by the ASA that we ought to adopt a higher profile than we have in the past."

But research by Davidson Pearce, the ASA's new advertising agency, has revealed that the public is barely aware of its existence and believes that what regulation does occur is

influenced by industry interests. Mr. Stephen Benson, the Davidson Pearce director in charge of the account, said: "Even people who had heard of the ASA were unclear as to how it operated, what its status was, whether it was independent of the Government and whether it had teeth."

The agency took the view that the public must specifically promote the ASA rather than the system or advertising in general. The aim must be consistently to present the ASA as effective, independent and accessible.

change. I therefore regard the human dimension as fundamental."

Mr. Chandler then repeated a suggestion made a month ago that in his view, legislation was needed to ensure that advertising for consultation exists in every company. "There are those who feel that legislation is inappropriate for something that should be done voluntarily or who see it as an additional burden on small companies."

Indeed, small companies should be exempted, since by virtue of their size and level of understanding should be automatic," Mr. Chandler said. "But where this has not happened voluntarily, I feel we have to ask—and critics to answer—what other stimulus is available to bring about the satisfaction of so basic a need if it has not come about of its own accord."

By Patricia Tisdall, Management Correspondent

A call for a more positive Government industrial policy was made by Mr. Geoffrey Chandler, director-general of the National Economic Development Office, yesterday.

Despite criticisms from some employers, Mr. Chandler, in a speech to the Chamber of Commerce in Glasgow, also repeated an earlier plea for legislation to ensure that companies consult more with employees.

Mr. Chandler wants the Government to allocate more for research development and training for new technology at a time of recession. This would require identifying the areas where we cannot afford to lag behind, he said. "In the end we shall only win this battle if people are persuaded that it is in their long-term interests to

LETTERS TO THE EDITOR

Executive redundancy and PER efficiency

From Mr. William J. Pringle

Sir, I was interested to read Mr. G. R. Crosby's letter (January 23) in which he defended the Professional and Executive Register against criticisms mentioned in your January 11 report on executive redundancy.

My own experience of PER, before and since publication of Mr. Crosby's letter, is not only relevant but it also calls into question some of Mr. Crosby's assertions.

I became unemployed on November 30, 1979, having been made redundant, and was registered with PER through my local employment office on December 3. I received PER information pack and their application form on December 7 and returned the form on December 11.

In the following month I received two more sets of literature (according to a note sent with one of them, a third was dispatched). The same day that received the last lot of literature I received, separately, PER's confirmation of enrolment—dated January 3 and postmarked January 9.

On January 18 I wrote to the candidates' consultant named on the confirmation of enrolment, drawing PER's attention to this puzzling sequence. I also wrote a general letter in December to PER

along with 14 other recruitment organisations, and followed it up with a telephone call on January 21. I have, to date, received no reply to either of these letters.

To crown everything, when I last went to the employment office to "sign on" I was taken to task for not enrolling with PER as enrolment is a condition of payment of unemployment benefit. After a short, sharp debate, the clerk phoned PER who were able to confirm that I was enrolled, but could not explain why they had advised the employment office that I was not. Nor did they know why the advice gave my initial as "W.J."

I could be persuaded that my experience of PER is exceptional, except that discussion with other candidates, recruitment consultants, and even officials of the Department of Employment convinces me that the system is flawed. My suggestion of a job from PER since registering. In the same time I have had some twenty interviews; and three job offers, one of which I have accepted.

I can only conclude that the greatest limitation on PER's ability to find a new job for an unemployed executive is its own gross inefficiency. Mr

Crosby claims that "PER is undoubtedly more successful in placing such job-seekers than any other agency." That may be true in absolute terms but can he qualify his claim by telling us, for example, what percentage of PER candidates find jobs through PER?

Could he tell us what is the average cost of placing a job-seeker through PER? And since that is the case, PER is far from being more successful than any other agency. No commercial agency could be expected to survive were it to perform as has PER in my case.

I cannot comment on PER's other services as I did not wish to use them. If, as Mr. Crosby claims, they do make a useful contribution, would it not help everyone to abandon the recruitment function and concentrate on services to improve the advisory, training and development services? Such a move would make better use of money available and would also save redundancy executives much frustration and irritation which, they, of all people, can do without.

Yours faithfully, W. J. PRINGLE, 121a, Bromley Road, London, SE6 2NZ, February 16.

A profession for industry

From Professor Leonard Maund

Sir, In view of the Finistone committee's succinct analysis of our manufacturing ills, it is unfortunate that so many of the remedies seem to lie outside its allotted task of reviewing the engineering profession for the manufacturing industry.

A country that makes the world's leading jet engines and most advanced trains is extracting the resources of the North Sea, created float glass and carbon fibre polymers, designed the Harrier and the body scanner, bridged the Bosporus and developed digital recording to mention a few recent achievements—should not be alarmed about the quality of its engineers.

Our competitors, who may see things more clearly from a greater distance, usually find the young British engineer an attractive proposition. They

also regard the organization of the British engineering profession with respect. Room there is for improvement, but vasty more room in the industrial conditions in which the profession works.

The point is made by the committee itself. Although its recommendations are aimed chiefly at the profession, the report recognizes that in manufacturing the "engineering dimension" is but one of a whole range of complex and inter-related factors, including world markets, political priorities, financial controls, managerial competence and employee commitment.

Few would quarrel with this list. And no one aware of the existing contributions of the engineering profession to the national interest could disagree with the committee's conclusion that the engineering dimension should be greatly

extended. (Japan, for example, produces five new engineering graduates for every one of ours.)

But before we embark on reconstructing the entire profession, including its education and training, we had better be clear about what we are doing, and why we are doing it. If improvement in manufacturing is the objective, we must consider the more difficult dimensions that may be ordered more productively, taking engineers' views fully into account? Perhaps the committee could give a lead?

Yours faithfully, LEONARD MAUNDER, Department of Mechanical Engineering, University of Newcastle upon Tyne, Stephenson Building, Newcastle upon Tyne NE1 7RU, February 19.

Potential of Cornish mineral reserves

From Dr J. P. N. Badham

Sir, Mr. Trounson (February 12) is a little harsh in accusing me of being unaware of United Kingdom mineral statistics and of the present state of the Cornish mining industry in Cornwall. The south-west is one of our few areas with both a significant mining history and an interesting present production. It may also have an interesting future production, but only if taxation, land ownership and land use criteria are changed: on this all your correspondents are agreed.

However, I stand by my original point of the general lack of strategic and economic significance of indigenous mining in the country as a whole. I am careless in including tin with other non-ferrous metals, thereby implying an insignificant production, and Mr. Trounson is quite right to point this out. But it is equally careless in implying that we produce as much copper, lead and zinc as tin. The actual picture is shown in the table:

	U.K. consumption (1977)	U.K. production (1977)	% home produced
Cu	658,127	< 450	< 0.07
Pb	293,052	< 1,000	< 0.4
Sn	14,430	3,330	23
W	2,210	< 60	< 2.7
Zn	278,312	< 1,000	< 0.35

This tin production thus saves us between £20m and £30m in foreign exchange. While this is of great importance to the tin industry, it is hardly of national significance. Furthermore, we cannot provide the remaining 75 per cent of our strategic requirements of tin under the prevailing economic of mining in the United Kingdom.

I also stand by my point concerning the ore potential of the United Kingdom. It should be quite clear from my original letter that I was referring to future potential and not the current extraction. The definition of ore is that it can be mined at a profit. Within the structures of this definition the reserves of tin in Mount Wellington were never ore. Similarly Hemerdon's potential to supply our tungsten needs for the next 20 years or so is well known. Whether or not the taxation and environmental costs will allow that mineralization to be mined profitably is debatable. Along with Mr. Trounson I sincerely hope that they will. I reiterate my fear that in general we will fail to properly produce our mineral deposits because of taxation and land use criteria and my argument is that we will always be dependent on foreign sources for the greater part of our strategic requirements.

N. BADHAM, Department of Geology, The University, Southampton SO9 5NH, February 14.

Consumption and production figures for 1977 from the World Bureau of metal statistics and the Metal Bulletin handbook. Figures for United Kingdom production of all but tin are less than the minimum recorded—no production and no figures are given for other metals. The contribution to our consumption from stockpiles and recycled material is hard to estimate: so, too, therefore is the actual annual foreign payment and the actual savings from domestic production.

Yours truly, ERIC ROLL, National Institute of Economic and Social Research, 2 Dean Trench Street, Smith Square, London SW1P 3HE, February 25.

Disease attacking British trade that could become terminal

From Mr. H. G. Bearston

Sir, After reading the recent full page advertisement in the national press, headed "The battle for Britain and nothing less," I was struck by the above, consumer goods and other items too numerous to quote.

The advertisement asserts "other countries give themselves a much better chance—also true. Look at France, Italy, the United States. All use selective import controls to the well-being of their own industries." The French do "instinctively" prefer to buy home produced goods, when they can. Again true.

Yet, one "informed" person told me: "There's room for all. Don't we all know that there just is not enough or that space for all—whether in groceries or housewares?" Manufacturers can surely help protect the future by aggressively promoting competitive quality British products. Buy British, by purchasing British, at least when all things are equal. Is that too much to ask?

This letter should not be construed as a special plea for the small British kitchen cutlery industry. Not one manufacturer I know requires the same protection that our silver plate, fork and spoon, brethren so vitally need.

Perhaps the lower foreign penetration of our market (33 per cent) is due to the test of quality, which is a very real tool or implement provided with a cutting edge. Unlike a spoon. Who buys a foreign razor blade?

But personal satisfaction, that in our particular sector the foreign onslaught has been resisted, cannot stop the question being asked: Will a future generation say that because of our personal preoccupation with the "bottom line"—we failed to see the writing on the wall?

H. G. BEARSTON, Chairman and Managing Director, Kitchen Devils Limited, 261, Goldhawk Road, Shepherd's Bush, London W12 0EU, February 19.

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Business

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BY THE FINANCIAL EDITOR

Why commodities are in the spotlight

Despite the slide in commodity prices towards the end of last week, most are still well up on the level of a year ago. It is, however, becoming steadily more apparent that their buoyancy can be attributed to the speculative activity that pushed the price of gold up from \$469 an ounce directly before Christmas, to a high of \$835 three weeks later. The Russian invasion of Afghanistan, rather than to any all the dramatic increases of the past month—in the precious metals and copper, and of the "softs", in rubber and wool—have been in areas susceptible to military demand.

Of the other softs, cocoa has been held down by forecasts of oversupply—Gill & Duffus bumped up its latest estimate of production from 75,000 to 117,000 tonnes last week. Coffee, more surprisingly, is now rising after a fall from the heights recorded in December despite recent reports that Brazil, most intransigent of the producers, has been lowering its prices to buyers. The exception to this trend has been sugar, whose price has increased dramatically over the past year, and in particular over the past month. It is not difficult to find reasons for some of the increase—rumours of trouble with the Cuban crop, Domestica's withdrawal from the market, forecasts of deficit because of increases in demand and a reduction in supply. But the size of the increase—and the susceptibility of the price, last week, to the International Sugar Organisation's decision not to oppose the automatic release of reserves as the price rose above the Sugar Agreement intervention ceiling—betrays the presence of the speculator in what has always been a market providing for marginal supply and demand. Considering that the sugar price even after last week's slide on stop-loss sales, is double what it was a year ago, while the Dow Jones index has barely moved, it has been an investment which—for some at least—must have been well worth while.

Wool looks a candidate for a similar trend, though the performance is hardly likely to be equalled. Despite a steady rise in the price since December, it is less than 10 per cent up on the level of a year ago—though, over the same period, Australian Wool Commission stocks have fallen from 995,000 bales to 133,000. The argument for moderation lies in the reluctance of the Japanese, always an important force in this market, to stock up while home consumption is threatened by a financial squeeze which, apart from all else, has pushed the Japanese discount rate up from 6 to 7 1/2 per cent in the past couple of weeks. The gamble in buying wool is a gamble that the Japanese market will survive the recession in reasonable shape. Anyone contemplating buying Japanese shares with this in mind should spare at least a thought for a purchase of the commodity.

Oil Speculative activity

The equity market managed only a limp start to the new account yesterday. It was not hard to find any number of explanations for this lack of interest, what with the steel impasse, the confidence vote in the Commons and a fairly steady stream of adverse economic indicators in front of The Budget.

In an otherwise important week for company results—IMI and BOC figures will, for instance, provide more evidence of the problems of the manufacturing sector—institutional investors are hiding their time in front of ICI's full-year results on Thursday. In the face of this general air of despondency, the only ray of light continues to be oil shares. Yesterday the sector again drew strength from reports that Saudi Arabia and Kuwait would push ahead with production cuts, to prevent any softening of oil prices if supply continues to run ahead of demand. And the attractions of second-line oil shares with North Sea producing interests were again underlined by the £19m bid by a subsidiary of the German Deminor group for Viking Oil, with the terms including an interesting variation in the shape of a royalty "kicker" in some ways similar to CASMO's oil production units.

Typical of the bull market phase of the oil sector as well, is the news that KCA's flotation of its Berkeley Exploration side

has been more than 40 times oversubscribed, while rumours of a similar scheme being cooked up by Carless Capel was enough to put another 5p on its shares to 105p.

But just about any second-line oil share—from the over-popular Siebens to the more obscure Attock Oil—is at the mercy of rumour in the current state of the market. While buying in this market carries for much of the rise in second-line stocks, the same cannot be said of Burmah Oil, which has few sizeable institutional holdings after its near demise five years ago, and where the big money now seems to be heading. Up by more than a third since the start of the year, the shares gained another 15p to 249p yesterday, where the market capitalization of almost £360m puts the company outside the takeover orbit of all but the biggest multinationals. With the



Sir Alastair Down, chairman of Burmah Oil, whose share price has been rising on rumours of a takeover bid.

government apparently committed to ensuring some British involvement in the seventh round of oil licences due soon. Burmah's commitment to bid for North Sea blocks has obvious attractions for a United States or other foreign concerns keen to get a share of the North Sea action, especially with crude supplies from the Middle East looking increasingly precarious. But on trading grounds alone the shares can probably still justify this heady price with the group likely to announce pre-tax profits of £35-40m this year and the tanker side, if not healthy just yet, at least not the drag it was

● Having strongly outperformed the market over the last year, shares of life assurance companies have weakened significantly over the last two weeks ahead of the industry's results season.

In the main, this seems due to a market foible which tends to tar life groups with the same brush as composites, which beginning with Commercial Union today, are widely expected to produce some dull figures.

As if justifying the view, both Prudential which also reports today, and Legal & General have, through diversification, become more closely resemble the composites. But for both groups life transfers still account for one half of total net profits, and the security of these earnings compare very favourably with the switch-back underwriting returns of general insurers.

Life profits are net of tax and since the ending of dividend restraint, wholly payable in dividends. On this basis the only threat to shareholders lies in the possibility of a gradual long-term squeeze on their rewards as competitive demands for higher bonuses to policyholders increase.

On past performance, however, this threat could be overstated. And with industry annual premium growth of 17 per cent last year, earnings should rise a couple of pence for both the Pru and L&G to give p/e ratios of around 12 and 15 respectively.

Meanwhile, yields in the life sector are not that far adrift of composites, particularly among the industrial branch groups like Refuge and Britannia. The Pru offers a likely yield of over 7 compared with just over 6 for L&G, and given the profits stability both groups offer seem sound purchasing opportunities at a time when results will be overshadowed by gloom from the composites.

Someone remarked last week, contemplating this month's economic media event, namely the arrival in town of Professor Milton Friedman, of Chicago and San Francisco, that there are really two Friedmans. There is Professor Friedman, the social scientist, pre-eminent monetary economist, who bases his conclusions on the most carefully researched data. And there is Professor Friedman, the polemicist, who wishes to sell the message (which has little to do with his monetary economics) that market forces and the price mechanism, if allowed unfettered, would improve the lot of man in every way.

This second Friedman advances his case in debate with charm, effect and wild unsupported assertions. He has been the subject of a series of Saturday BBC series, Free to Choose, may, for example, have been surprised to hear that the development and prosperity of the modern Japanese textile industry was the result of the Japanese government's enthusiastic devotion to the principles of free trade. The assertion was so breathtakingly confident that it was almost impossible to realize that it was also contrary to the facts.

Indeed, advocates of the market have to digest the difficult fact that the Japanese, and some other major economic miracles, took place in the context of draconian protectionism under an interventionist government. Without question Professor Friedman

The gospel according to St Milton

Hugh Stephenson

Mark II has made a powerful and important contribution in reminding us of the modern world of the theories of Adam Smith. The benign workings of market forces certainly have been under-estimated in the post-war era. But there is a danger of overdoing a good thing, and it is a danger to which all good propagandists must be prone.

Mark II falls into this trap by creating the impression that market forces can solve all problems—down to improving toe-nails. Professor Friedman would probably lose political and industrial support for his views on market forces and the pound's exchange rate. In the later stages of the last Labour government there was what passed for a "great debate" on what should be done with the revenues from North Sea Oil. Certainly there was general agreement that they should not just be frittered away. There was even a White Paper, which suggested options such as using the money to repay overseas debt, or to regenerate the rest of industry.

This Government stopped the debate and took decisions. Exchange controls were removed and substantial quantities of long-term savings were used to acquire foreign assets which will be useful sources of income when North Sea oil runs out. And the exchange rate was allowed to rise to levels which the overwhelming majority of industrialists consider to be impossibly high. They argue that if and when a regime

involving a high exchange rate manages to bring down inflation, it will be too late because whole sections of industry will have passed more or less peacefully away.

It would be no surprise to Professor Friedman that factors now have the pound is too strong, and they have never been notable defenders of free trade.

Professor Friedman's view is that the Government should relax and let the exchange rate be what it will. He would disapprove of authorities which from time to time take action to stop it going higher.

His argument goes like this: "What does it matter if marginal industries go to the wall and imports of industrial goods rise, while exports fall? So long as the oil side of the balance of trade is in surplus, why do you want the non-oil side to be in surplus as well? Why not live off oil while you have got it and get the standard of living benefits of the high exchange rate? Of course, the oil will run out; but then, if you do not interfere with the market, the exchange rate will come down and it will be possible for the non-oil sector to start expanding again, since it will once again be competitive."

This is the sort of line that is easier for advisers to give than for governments to follow. Governments, for all their manifest weakness, have

to deal with the real consequences of their actions. And there are some industries, deep coal mining for example, which cannot be switched on and off except over a time scale measured in decades and certainly not in response to movements in the medium-term exchange rate.

The question of what the proper exchange rate should be is clearly contentious.

It is possible that a market-determined rate could produce an answer in the medium-term no worse than one chosen on any other basis. On the face of it, however, it seems unreasonable that the rate with which the non-oil economy has to live should be so influenced by what is happening on the oil side of the account.

There is a mechanism available by which the Government could at least neutralize that upward pressure on the rate. It could estimate the net contribution of the total oil account to the balance of payments. It could then instruct the Bank of England to intervene in the foreign exchange markets by selling sterling over, say, a year in order to add that sum to the official reserves. This would then leave the pound at the mercy of the non-oil economy alone. It would, incidentally, allow an equal repayment of the still huge burden of foreign official debt. In addition, for the rest, market forces could still be allowed free rein.

The Irish budget will be presented tomorrow.

A tough battle ahead for the Taoiseach

While Mr Charles J. Haughey's accession as Prime Minister of the Irish Republic may have brought only a slightly perceptible change of emphasis in the Irish Government's stance on Northern Ireland, it has resulted in a veritable U-turn in the economic policies pursued by the Fianna Fáil Government since it returned to power in the 1977 general election.

The pump-priming Keynesian policies pursued by Mr Jack Lynch and his protégé the Trinity College economics professor Martin O'Donoghue are set for a correction in the Republic's Budget to be unveiled on Wednesday.

In one of his first moves the new Taoiseach (Prime Minister) asked the Economic Planning Minister O'Donoghue and requested him to review the party's economic policies. Since then Mr Haughey and his Ministers have left no doubt about their intention to get the Republic's troubled finances into order.

But they have been plagued with problems. The Republic's PAYE taxpayers have been in revolt over the steep increases in personal income tax needed to finance the rapid rise in Government spending. Earlier this month the High Court in Dublin delivered a judgment that penal tax impositions on married women in the Republic's tax codes are unconstitutional. A significant source of tax revenue has been wiped out for Mr Haughey as a result.

Despite his assertion at the recent Fianna Fáil annual conference that Northern Ireland is the political priority of his Government, Mr Haughey has been running on a tightrope. He has held a high position in the snake thanks to the cushioning effect of high reserves. But, reserves have been falling—from £1.140m in March 1979 to £1.075m at the end of December. The Irish pound has also slipped lower in the snake. What has particularly alarmed the foreign exchange market in Dublin is the fact that the reserves fall would have been greater were it not for substantial foreign borrowing last year. This fear culminated in a spate of rumours about an impending devaluation of the punt against its EMS partners.

Since then the pressures have abated slightly due to the fact that it is dealing with an energy-poor economy for the foreseeable future. Last year oil price rises hit Ireland severely with the result that a balance of payments deficit of Irish £730m (£675m) was incurred, equivalent to 10 per cent of the GNP.

Irish membership of the European Monetary System has added to the pressure to control the balance of payments deficit. Since Ireland's entry to the system last March, and the break of the historic link with sterling, the Irish pound has held a high position in the snake thanks to the cushioning effect of high reserves.

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Mr Haughey (left) and Professor O'Donoghue: disagreed over "pump-priming" policies.

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recent de facto devaluation against sterling and encouraging December trade figures.

But EMS membership has begun to pay dividends too. The Republic's inflation rate—currently running at 16 per cent—has remained below Britain's for the third year in succession, and the Irish Central Bank did not follow UK interest rates upwards when the minimum lending rate went to 17 per cent. That would have been impossible in the days when the punt was linked to sterling.

The monetary policy of the Chicago School finds stonier ground in the Fianna Fáil Party, which is more akin to France's Gaullists (with whom they are allied in the European Parliament) or the democratic party in the United States. It is, thus, hardly likely to receive the ready acceptance in Fianna Fáil it has received in the British Conservative Party. But there is no doubt that Professor Friedman has his admirers among Mr Haughey's economic advisers.

Commentators in Dublin have been busy drawing parallels between the new Haughey economic policies and Margaret Thatcher's strategy across the water. The parallels are there

no doubt. In the estimates for public spending published last week severe cuts were announced in state services to the public. The free schools transport system is under threat. Maintenance Scheme for labour-intensive industries is about to be chopped. Health spending is to be squeezed.

The local authorities (whose finances are more centrally controlled than in the UK) have been given a 10 per cent guideline for the coming year. This compares with a forecast inflation rate for 1980 by the Economic and Social Research Institute (Ireland's equivalent of the National Institute for Economic and Social Research) of 16 per cent for this year.

The capital spending programme has been frozen in real terms. For those with an eye to Mr Haughey's stance on Northern Ireland, defence and police spending have been spared the cuts. Total security spending is to rise from £234m (pound) to £285m in 1980, a rise of 22 per cent.

But despite the spending restraints Mr Haughey still faces daunting problems in this drive

to restore fiscal order. He has had to contend with a pay explosion in the Republic's public service. Last week's spending estimates make an allowance of 20 per cent for the 180,000 employees in the public sector. But that allows only for special awards already made for increases to come under the Republic's centrally negotiated wage agreement—the "national understanding".

The national understanding is broader in scope than the old social contract in the United Kingdom. It allows a pay rise of 15 per cent in the 15 months, to the end of this summer. The rising public sector pay bill has meant that Mr Haughey will not get full value for his spending cuts this year.

Mr Haughey's scope for closing the budget gap through tax changes on Wednesday was also severely circumscribed. Militancy among PAYE taxpayers has grown. A series of tax marches last year culminated in a day of protest last month when 700,000 people took to the streets. The total workforce in the Republic is just over 1m (including farmers against whom most of the PAYE are being directed).

This week's Budget will have to make income tax concessions and the self-employed sector, will have to be seen to bear a greater share of the tax burden. The Government has already conceded the PAYE scheme claim that the tax system is inequitable.

As a result of the likely income tax concessions Wednesday's Budget is most likely to involve substantial increases in indirect taxes with VAT rate and excise duty on drink, tobacco and petrol prime candidates.

The next election must be held at the latest by mid-1982. That would allow Mr Haughey possibly two more budgets if he decides to hang on for as long as possible, a likelihood in the present political climate. But before he can think of election budgets he has to fight a tough uphill economic battle. The economy has always determined election fortunes in the Republic.

Ken O'Brien

The author is a staff writer on The Irish Times.

Business Diary: Musak's change of tune • Grand Metro?

It may sound as if Musak is as ubiquitous as Coca-Cola, but in fact it's just not so, and dash it all if Stephen Gottlieb hasn't been asked to do something about it.

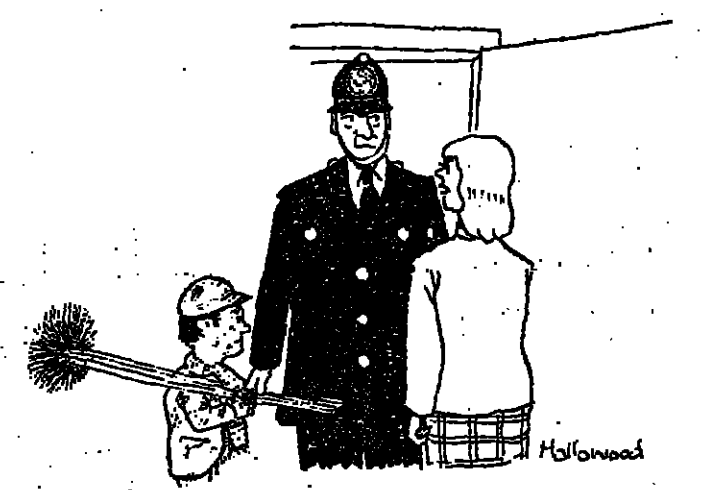
Gottlieb, a London-based music man, has been hired by Musak's American parent, Teleprompter Inc., to establish new franchises in "hitherto explored territories".

This all comes from a visit to London last month by Teleprompter president Russell Karp. The American's ears were affronted not by Musak syrup but by a harsh refrain from disgruntled franchisees who thought the company's taped programmes too American and too square.

Particularly vocal was PEL, the British franchisee, whose sales director Ken Faulks told me yesterday that Musak's industrial-use tapes had been particularly dire. They were all sickly strings—when Britain was after all the home of contemporary music.

Following Karp's trip, Teleprompter has decided to attack the European market. Rod Baum, Musak's vice-president of music programming, has been in and out of London to set up more recording dates here rather than in the United States—and now the Gottlieb appointment.

An EMI hand of many years, Gottlieb for the past decade has chaired Polygram Leisure, a Philips/Siemens music company, and has been chief executive of Chappell's, the music publishers.



I know it's illegal, but how else do we live if Mrs Thatcher cuts strikers' supplementary benefits?

● BL's long-awaited Mini Metro, due to be launched in October, is already being viewed sceptically and even sadly by European car designers and engineers.

Although the original Mini was regarded as severely underpriced, there is a strong belief that the new car won't be the world's best value pre-war predecessor was.

The markets now sewn up by the "super minis" of Ford, Fiat, Renault and Volkswagen are expected to hold up to the Metro's impact.

How different from the scene 20 years ago when Sir Terence born and when Sir Terence Beckett, now chairman of Ford in Britain, was then running the

company's product planning. "We subjected the concept to every kind of analysis," he said in a recent interview with The Engineer magazine. "We twice tore down every component in it, including its spot welds, to analyse its cost."

"It takes confidence in your methods and self-discipline in your thinking to avoid the conclusion that if your principal competitor can produce a product like this, then you cannot afford not to follow him, particularly when Ford, until that time, had always offered the lowest priced car in the market."

None the less, Ford, "in frustration", identified a hole in the market and came up with the Corina, Britain's best seller

● Harold Rhodes, director at the National Coal Board's overseas arm, British Coal International (BCI), is optimistic about doing business in India now that the country wants to push up its annual coal output by 150m tons in the next five years to 150m tons.

Britain, a pioneer in the now thriving mechanized "long-wall" technique of underground mining, put in equipment for the Indians a few years ago which raised production from 300 tons a day to 1,800.

BCI, which coordinates public sector and private sector export efforts, has since been in India to give more advice. Contracts for possibly four sets of mechanized equipment are in the offing.

It could be worth about £10m to companies like Dowty Corporation and Gullick Dobson. The idea of importing coal from India naturally does not excite the Coal Board.

The French, who like the West Germans have latched on to the possibilities of selling to the Indians, are going to be more able to accept counter-trading of this sort.

Rhodes foresees the usual payments problem with India, which, like China, is anxious to conserve foreign currency earnings by paying out in kind. The idea of importing coal from India naturally does not excite the Coal Board.

The French, who like the West Germans have latched on to the possibilities of selling to the Indians, are going to be more able to accept counter-trading of this sort.



● Winners of the new Institute of Practitioners in Advertising awards will need a spot of bravado as well as the more customary selling skills.

What sets the IPA awards apart from a clutch of other glittering advertising prizes is the stipulation that the winning ideas must be seen to work.

The institute is to demand case histories on all the campaigns nominated for awards, and that will involve the advertisers in revealing such touchy details as sales figures.

Will they comply when the only people who can benefit will be the agencies? Chris Hawes, chairman of the David Pearce agency, and the IPA's marketing committee, evidently thinks so.

"We want to encourage the analysis and evaluation of advertising campaigns to produce clear and quantifiable evidence of advertising working hard and successfully."

If your wallet is stuffed with receipts pre-dating 1984 now is the time to steel your nerve and throw them away. The Sale of Goods Act 1979 section 1(1) provides: "This Act applies to contracts of sale of goods made on or after 1 January 1984."

For octogenarians thinking of demanding their money back on their chattering wine it is now, officially, too late.

Ross Davies

Substitution account: can IMF sell the idea?

Signor Filippo Pandolfi, chairman of the International Monetary Fund's interim committee, is in Latin America on the first of several globe-trotting missions to persuade governments to support the IMF's scheme for a substitution account.

The scheme is intended to dampen the growing risk of monetary instability by mopping up unwanted dollars, particularly petrodollars. Central banks would exchange them for claims on a basket of currencies (the IMF's special drawing rights). The claims would have to carry an appealing interest rate and to pay the IMF may invest the dollars it receives in United States Treasury bonds.

The account would carry an exchange rate risk: IMF assets would be denominated in dollars, while its liabilities would be in SDRs. A guarantee to protect against a fall in value of the dollar would have to be agreed.

The claims, furthermore, would have liquidity by being tradeable among central banks, and encashable with the IMF. As a first step, the account is expected to be launched as a sub-account of about \$20,000m, mittedly a drop in the Euro-dollar ocean of over \$700,000m. A figure of at least \$500,000m would be considered by many to be more realistic.

At present Signor Pandolfi is not so much concerned with these technicalities as with winning governments' commitment to the scheme. He is due back in Italy next Sunday, after visiting, in nine days, Madrid, Washington (for consultations

with the IMF), Mexico City, Caracas, Brasilia and Buenos Aires.

In late March or April he plans a second mission to the Middle East, concentrating on Saudi Arabia and Kuwait. Before the next meeting of the IMF, interim committee, in Hamburg on April 25, he hopes to fit in a meeting in Malta of the committee's sub-committee on the IMF-Portugal, Greece and Malta—and a further mission in prospect to India, Indonesia, the Philippines and Japan.

While there is little doubt about the support of the industrialized countries, the Latin American trip enables Signor Pandolfi to obtain sample reactions from the other two groups, the oil producers (Mexico, Venezuela) and the developing countries (Brazil, Argentina).

Signor Pandolfi stresses that these meetings are "pre-negotiations", during which he will listen without getting involved in details. The technical negotiations will come after the present political round.

But winning the agreement of the developing countries may not be so easy. They may not like the idea of using IMF gold to back the exchange rate risk if the dollar continues to fall in the short term. (Predictions by the Bank of Italy and the IMF are reported to indicate a much more stable relationship between the dollar and other currencies over the next 10 years).

Profits from IMF gold auctions, which are to end in May, have been used for their benefit in the past. Why, these

countries may ask, should they consent to part of the remaining 100 million ounces of IMF gold being earmarked to help the industrialized countries to stabilize their exchange rates and the oil producers to satisfy out of dollars, when there is no direct advantage to them?

Signor Pandolfi is very conscious of the difficulties ahead. He can probably argue that the IMF's scheme is a "third world" money market, most vulnerable to monetary disorder, and they, above all, need stability for selling their commodities and raw materials.

The impression has been avoided that the rich countries are ganging up on the poor. In this, the lack of full agreement among industrialized nations may prove an advantage.

Signor Pandolfi declines to be drawn on when the account may come into operation. But he points to one little-publicized aspect so far: the desirability of not having to have parliamentary ratification in member countries which could set target dates back two years. It is to be hoped, for example, that an agreement can be drafted which does not have to go through the United States Congress.

Unfortunately, there is potential source of delay nearer home. If the Italian government fails in coming weeks, Signor Pandolfi, who is Italy's treasury minister, may be stuck in domestic political consultations, and find it difficult to keep to his globe-trotting timetable for the IMF.

John Earle in Rome

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

New account opens on a cautious note

The new account opened quietly with investors taking a cautious view as the steel share entered its ninth week. The uncertainty over the forthcoming Budget and prospects for interest rates also clouded activity at the start despite the more exciting prospect of a week full of important company reports.

The FT index reflected this pattern, showing its sharpest drop of 4.6 to 449.6 in the morning but some recovery followed and it closed at 453.7, 0.5 down on the day.

The major exception to the general trading picture was in oils where interest was generated in second-line stocks all day. This was provoked by the news of a 10 per cent cut in production by the Kuwaitis as well as continuing negotiations over supply contracts with Saudi Arabia. Viking Oil, which received a 300p cash bid plus royalty terms from the German Deminor group, saw the stock activity with a 73p gain to 868p which later eased back to 868p by the close.

Continued speculation over a possible bid by Nelson Bunker Hunt for Bureh gave the shares a boost of 15p to 249p. The gilt-edged market opened on a cautious note, still reflecting Friday afternoon's announcement of new £80bn issue, and the sharp rise in United States interest rates. But after further small losses, buyers appeared at the lower levels and prices started to recover well. By the close many stocks had more than recovered the ground lost in late dealings on Friday.

This leaves the new stock, Treasury 14 per cent 1996, looking reasonably priced in relation to similar dated issues.

By and large, though, investors are in a fairly cautious mood at the moment and those who are currently sitting on losses of around 5 points on the recent

Interim profits of Shaw Carpets fell from £949,000 to £618,000 and the full year, due in the summer, is not expected to do much better. However, analysts are saying that there is a glimmer of light on the horizon. With its competitor Associated Weavers now out of the market and interest rates likely to fall soon, prospects for the new year, beginning in May, now look much brighter. The shares held steady at 25p.

Treasury 12½ per cent 2003/05 offering are not likely to be easily tempted again, against a background of general uncertainty, and continuing tightness at the short end of the money markets.

Leading industrials were particularly quiet awaiting ICI's results on Thursday and dealers complained of a dearth of sellers although there were investors ready to buy. Bureh provided surprisingly little activity in spite of results from National Westminster due today. The share price closed 8p up at 371p while Hambro was unchanged at 319p following its £19.3m bid for Fairley Holdings from the National Enterprise Board.

Golds fell back including the Australian mines, while press comments stimulated interest in Burgess Products, which rose 10p to 64p. London & Midland which rose 7p to 11p and Montague L. Meyer which saw a 9p increase to 112 with continued bid speculation. Gossip that Mr C. Y. Tung is prepared to pay 450p a share for Furness Withy compared with the initial cash offer of 360p pushed the shares another 5p to 380p, while repeated rumours of an American bid for Sotheby Parke Bernet put on a further 5p to 500p.

Among the leading industrials, ICI closed unchanged after an earlier 4p fall ahead of the results, while Unilever gained 1p to 456p. Glaxo finished 4p up at 246p and Fisons remained unchanged at 282p. Becton lost 1p to 124p as did BOC which closed at 66p in front of tomorrow's expected quarterly.

With oils making the running in equity trading, BP finished at 392p, 2p up while Shell with results due early next month showed a 12p gain to 392p. Tri-centrol's gain was 18p to 332p and Ultramar put on 10p to 496p. Among the second line stocks which were in the limelight, Aran Energy rose 50p to 420p, Caledonian Offshore jumped from 300 to 340p and Attock gained 26p to 234p. KCA International rose 31p to 691p. It is spinning off Berkeley Exploration and the issue was 41 times oversubscribed yesterday. Dealings should be in a large premium tomorrow. Carless Capel with its oil associations moved up 5p to 105p during the day but was unchanged at the close.

From the companies which reported results, Ransome Sims was lifted 20p to 133p, after a surprise 11 per cent profit increase, while Ward Holdings improved 3p to 65p after almost doubling earnings.

Alexanders Holdings rose 1p to 144p and Rhodesian Corporation added 1p to 41p.

On the electrical side, bid hopes continued to support Ferranti which was 15p up at 515p. Rascal put on 3p to 215p as did GEC to 377p. These gains were also reflected in Decca ordinary which went from 610p to 613p and in the 'A' which rose 4p to 511p. Plessey also saw a 4p gain to 141p while Dale and MK Electric remained unchanged at 95p and 188p respectively.

The engineering sector showed slight falls with Metal

Stockbrokers Rowe & Pimmon reckon the brewery sector will soon shed its hangover and save the Budget will not hit consumption. They like Guinness, Matthew Brown, Green Whitley, Marston, Vaux and Grand Metropolitan, all of which have underperformed the All-share index in the three months to mid-February.

Box dropping back 2p to 248p, Tubes 2p to 249p and GKN losing 1p to 249p.

Kaffris sagged slightly with the gold price but dealers reported a renewal of interest and some recovery as the New York market opened and the price advanced. Cons Gold was 5p down at 512p and Anglo American Gold was unchanged at 87p. Middle Wits lost 10p to 455p while the Australians showed sharper losses. Otter fell back from 137p to 125p.

Equity turnover on February 22 was £127,190m (18,205 bargains). Active stocks yesterday, according to the Exchange Telegraph, were Bureh, ICI, Furness Withy, Carless Capel, Burgess Products, Montague L. Meyer, United Dominions Trust and Imperial Continental Gas.

Bonus as Ward recovery continues

By Our Financial Staff

The recovery of property and housebuilding group Ward Holdings continued as the group reported virtually doubled profits, a 42 per cent dividend, increase and a bonus share issue.

Two years ago the group recovered sharply from profits which had fallen to £324,000 in 1977. Last year, earnings before tax rose from £1.2m to £2.3m on a turnover for the year to the end of last October up from £8.8m to £11.7m.

The group says all subsidiaries continued to make a growing contribution to profits and the company's land bank was improved during the year, in expectation of fresh opportunities.

The development and industrial units for Ward's own investments is proceeding to plan and the group intends to increase its involvement in property investment.

Ward says that the profits rise was produced as the company took full advantage of the market trend which it expects to continue.

The gross total dividend goes up from 4.20p to 5.95p with a 4.25p final and shareholders are to get one deferred ordinary share for every two ordinary shares they already hold.

Ward's first dividend, first quoted in 1972 and in its maiden year produced a profit of £894,000, 5 per cent above its prospectus forecast. But by 1974, profits had slumped to half that figure and the group have been climbing back ever since.

Yule Catto may increase stake in North Sea group

By Philip Robinson

Yule Catto, the United Kingdom-based commodity to marinas group whose fortunes have been based on the Malaysian rubber plantations, could well buy more of the North Sea Oil group GOAL.

Last month it paid £734,800 to lift its stake in Gas & Oil Acreage Ltd to 16.6 per cent, but cannot take profits until it is an associate company, which would mean Yule taking a 20 per cent stake.

But financial director Mr Kenneth Waters said the GOAL price would have to be right before Yule Catto extends its interest.

The latest investment brings the total cost of its stake to £2.5m of a company whose main asset is a 21 per cent interest in the Bannan oil field where production is expected to start within the next 12 months.

Yesterday Lord Catto, the chairman, unveiled group profits up from £2.8m to £3.3m on a turnover 67 per cent ahead at £12.2m.

The bulk of the profits increase came from areas other than the group's traditional rubber and oil palms operations, although this increased sharply by 100.00 to £2.6m and remained the largest single profit earner. It should also show an increased contribution this year in line with soaring commodity prices.

Following management changes, William Cox and the closure of its Newcastle



Lord Catto, chairman of Yule Catto.

factory, the plastics division has increased profits from £159,000 to £352,000, while Catto's marinas virtually doubled their contribution to £270,000. Further benefit should come from this offset this year following the acquisition of Upton Marina. Mr Waters said the group now has around 1,000 boat berths under this division.

But the current year is not so certain for the export trading company. Thomas Bell's share much of its profits last year, up from £13,000 to £165,000, from sales to Jamaica via other overseas markets.

Gross total dividend is in line with the chairman's mid-year forecast at 2.85p with a 1.71p final.

Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
Int or Fin	£m	£m	per share	pence	date	total
Carlisle (F)	—	0.70(5.4)	6.47(5.01)	4.5(3.0)	3/4	6.0(4.50)
Charles Baynes (F)	2.0(1.97)	0.4(0.39)	6.2(5.51)	0.6(0.44)	25/4	1.0(0.75)
Elect Machine (I)	0.53(0.85)	0.04(0.03)	1.22(0.64)	—	—	—
Fin Holdings (I)	—	2.01(1.21)	1.0(0.57)	3/4	—	2.69
Ransome Sims (F)	42.1(34.4)	2.86(2.57)	42.2(39.1)	8.0(6.58)	13/5	11.4(9.58)
Rhodesian Corp (F)	—	0.83(0.59)	5.2(3.5)	0.56(0.58)	11/4	0.56(0.56)
Turnbull Scott (I)	5.4(4.2)	0.24(0.79b)	2.3(1.2)	2(40)	7/3	—
Yule Catto (F)	21.2(12.7)	3.3(2.5)	25.7(13.8)	3.2(1.95)	3/4	2(1.54)

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profit are shown pre-tax and earnings are net. a Net revenue, b Loss. c For 14 months.

Business appointments

Technical director for Birds Eye named

Mr Paul Jacobs is to succeed Mr Jo Sheldon as technical director of Birds Eye Foods at the end of April on Mr Sheldon's retirement.

Mr A. Frankel, chairman of Staveley Industries, has been appointed as a non-executive director to the board of Molins.

Mr M. A. Hayden has been named by British Tissues as group financial director and company secretary in succession to Mr J. B. Edwards. Although this is now consumer marketing director, Mr A. C. Rix becomes group sales and marketing director from April 1, 1980.

Mr Alex Davie becomes development director of BOCM Silcock from March 1.

Mr J. S. Barnett and Mr M. R. Stone have joined the board of South Crofts.

Mr Raymond Bannister has been appointed director of manufacturing, Europe, by Pitney Bowes.

Mr Martin J. Walden has been appointed technical director and Mr Peter M. Jackson financial director of F. N. Bray.

Mr A. Albert, who has been named as vice-president of Parker-Bannister's Fluid Connectors Group in Europe.

Mr D. C. Shaw has been appointed as chairman of the Intervention Board for Agricultural Produce.

Mr J. D. N. Shaw has been elected chairman of FERFA, the Federation of Epoxy Resin Formulators and Applicators.

Mr A. C. Rix, who is still around half the number which went out in 1975.

Mr E. H. Kumer has been appointed vice chairman of Sekers International and remains group managing director with special responsibilities for the dress fabric division, which now incorporates Solesies Nouveaux.

Mr R. N. Barber has become joint group manager director and deputy chairman of Sekers Fabrics with special responsibilities for the furnishings and menswear divisions, and group financial director of the newly-acquired David Evans & Co, will join the Sekers International board with executive responsibilities.

Mr D. R. Thornton has been appointed managing director of Sekers Fabrics and will have executive responsibility for the company's and group's 1979 business year. KHD reported that consolidated sales rose 13.5 per cent to about £408m from £364.4m in 1978. Earnings figures were not given. For 1978, KHD had reported a consolidated net profit of DM45.5m and raised its dividend to DM7 a share from the DM6 paid for 1977.

Record figures from Alexanders Holdings

From next to nothing in 1974-75, Alexanders Holdings, Scotland's largest main Ford dealers, has posted a record £796,000 in the year to September 30. Sales went ahead nearly £2m to a peak £30m.

But the figures look less impressive once they are broken down. The £796,000 of profits include nearly £300,000 from property sales, presumably non-recurring items. Moreover, the 1977-78 figures have been restated without explanation from £556,000 to £471,393.

The group managed to hold its tax almost steady at £295,074 so the jump in net profits was steep. They went up from £190,234 to £509,837.

Alexanders has a policy of not declaring dividends, which is just as well since earnings a share on the latest figures were only just over 1p.

This reflects the policy of declaring scrip dividends instead. Now the directors plan a one for one scrip issue in ordinary and shares.

Immediately after the issue, every 2 ordinary shares will be consolidated into one ordinary share of 10p. The same will apply to the "A" ordinary shares.

In the first half year profits rose only slightly, from £239,000 to £246,000, thanks to a nine-week strike at Ford. After that the supply of vehicles picked up. Mr Henry Clayton, managing director, says this year will be a record.

The policy of paying scrip dividends gives the shares appeal to some kinds of taxpayer. Alexanders also gives a discount to shareholders on Ford's bought at its garages.

Norwegian claim on Turnbull Scott

By Our Financial Staff

A Norwegian bank has declared a cross default on an outstanding loan to shipping group Turnbull Scott Holdings which could result in repayment of £785,000. However, the company has been advised by leading counsel that the lender is not entitled to enforce the cross default clause and alternative financing arrangements have been offered.

This has arisen because another Norwegian bank would not agree to the deferment arrangements made on Turnbull's £8.4m of outstanding secured loans. This led to a technical default, though the loan is not repaid.

Some £313,000 was repaid on January 21. Meanwhile, a writ has been issued from this bank claiming legal expenses of £3,350 and interest of £1,155.

The reorganization with banks acquiescing to the scheme means that there will now be £273,000 repayable within one year, £5.4m repayable between one and five years and £2.7m after five years. These arrangements have been reconfirmed following the Norwegian repayment.

Meanwhile, the company has announced a fall in its pre-tax loss from £792,000 to £248,000 for the six months to September 30. Turnover was £5.4m against a restated comparable figure of £4.2m.

At the trading level profits rose from £439,000 to £534,000 but this was reduced by interest charges of £268,000 against £307,000 last time and depreciation of £821,000 against £869,000. There was no surplus on operations for the first time last time. After tax the net loss comes out at £226,000 against a profit of £370,000.

Commenting on the future the board says that the improved shipping rates will continue to bring in the second half but rising costs, particularly rates of pay, the troubled political scene and volatile exchange rates combine to make the outlook uncertain.

There is an interim dividend of 2.8p gross against a payment of 5.7p gross for the previous 14 months.

New meeting on Lonrho deal

By Our Financial Staff

Mr Graham Lacey's attempt to buy 19 per cent of Lonrho and pay £4.1m for the 70 per cent of Bernard Wardle he does not already own, should take a new turn this week.

He is due to meet Sheikh Nasser, whose Gulf Fisheries Company owns a "neutral territory" and an announcement is expected around the middle of the week.

The City entrepreneur has yet to reveal where the money for the Lonrho stake will come from, but Gulf Fisheries is said to be able to raise the cash which at the current market price could come out at £40.8m.

On Wednesday the offer document for the Cheshire-based plastics group Bernard Wardle should be with shareholders. A point that will fascinate the City will be the balance sheet of Mr Lacey's Birmingham and Midland Counties Trust, through which the takeover is made.

IC Gas's Canadian venture

Imperial Continental Gas has formed a wholly owned Canadian subsidiary, Imperial Continental Gas Alberta, which is to be based in Calgary in order to expand its oil and gas exploration and production activities into western Canada.

Subject to the approval of the Canadian Government, the new company intends to engage in oil and gas exploration and production activities in Alberta, Saskatchewan and British Columbia. Initially with Golden Eagle Oil and Gas, a Canadian subsidiary of Ultramar.

The exploration budget of IC Gas Alberta during its first three years of operation is estimated to amount to C\$25m.

539,000 against £32,500. Earnings share were 1.12p against 0.64p.

However, the outlook for the remainder, and majority, of group products is reasonably bright, with security and surveillance, instrumentation, systems and precision engineering looking particularly strong. Although the board does not expect to avoid totally the repercussions of the present industrial troubles at home, and political problems overseas, the outlook for current year should show an improvement over last year's £70,000.

Talks still continue at Carlisle and Hume

Talks are still continuing between the boards of Hume Holdings and Carlisle Investment Trust and their advisers with regard to eventual unification.

However, a statement will not be made until a scheme can be arranged which can be recommended as being in the best interests of shareholders.

In the meantime, gross revenue of Carlisle for the year to January 30, 1980, rose from £1.03m to £1.3m. As a result net revenue climbed from £539,000 to £705,000 on earnings a share of 6.47p against 5.01p. The dividend was 10p gross compared with 7.5p.

East Anglian to buy 48 pc of Mansell

East Anglian Securities Holdings, the Norwich-based management services group, has, along with its associates, subscribed for 47.6 per cent of Mansell Bonded Fabrics. Mansell is a new company formed to manufacture and market fabrics of non-woven fabrics from viscose rayon fibre and bonded for strength with specially developed adhesives.

Fall in orders at Electronic Machine

A "serious decline" in orders for optical and electronic machines and higher than expected bank interest—caused by both the Government's expenditure policies and the deterioration in overseas markets—held back the order book for Electronic Machine.

Over the six months to October 31, turnover managed a slight rise from £852,000 to £937,000, while pre-tax profits were

Canadian National Railway Group cannot become beneficial owners of the shares until they have obtained their approvals from the Canadian regulatory bodies and thus Eurocanadian will remain, for the time being, the beneficial owners of 4.25m ordinary shares in Manchester Liners.

West coast issue on basis of 1-for-4

West Coast Holdings has announced an issue of 25 cent shares on the basis of one-for-four with attaching 1 cent options which can be exercised any time until June 30.

This follows the recent placing of one million shares to raise \$444,000 and will give shareholders with less than 1,000 shares the chance to round their holding up to 1,000 shares.

The proceeds of the issue will provide working capital for the financing of gold mine properties, open cut operations and general mining exploration.

Peckston Group calls in the receivers

At the request of the directors, Peckston has appointed Mr Dennis Tyson, a chartered accountant, as receiver of Peckston Group and five of its operating subsidiaries. The group is principally involved in shipbuilding, freight forwarding and related activities, as well as steel fabrication and the provision of offshore labour.

A principal cause of the group's difficulties is believed to have been the substantial losses incurred in the chartering of certain specific ship chartering operations which are now complete.

At 133p the shares sell at 3.3 times the earnings or 5.4 on a fully taxed basis. The yield is 12 per cent.

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Ransome Sims rises 20p on profit news

By Our Financial Staff

Shares in farm machinery group Ransome Sims and Jeffries jumped 20p to 133p on the news that the group's profits rose in full year to £2.8m. Turnover rose from £34.4m to £42.2m.

A final dividend of 11.4p gross brings the year's total payment to 16.3p including a supplementary dividend paid in respect of 1979 of 0.4p gross.

The rise in the profits increase was due to the increase in sales of grass cutting machinery. This now accounts for almost half group turnover. Thanks to improved productivity and lower demand for other products, the group's grass cutting machinery was able to meet this level of demand. Future planning should enable this trend to be continued.

But there are threats to these plans from the industrial problems of the steel industry and elsewhere which are at risk the achievement of programmes and the livelihood of some employees.

The engineering strike had some adverse effect on the revenue of the group, but the inclusion of 15 months of losses in the year's accounts was able to provide a strong margin of safety.

Elsewhere the farm machinery division was hit by poor trading conditions and, even though the group has a strong demand for ploughing and harrowing equipment in the United Kingdom, strike action again took its toll in August and September.

Ransome has now concluded an agreement with the Norwegian manufacturers. Under the agreement, Ransome will develop new models of potato harvester following on from the success of the Sovereign machine. This is expected to allow the engineering side to be deployed to greater effect while still providing a strong range of potato harvesting equipment.

The agricultural sprayers division lost £48,000 as a result of low sales, over capacity and excessive overheads.

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The Great Northern Investment Trust Limited

Results for Year ended 30th November 1979.

- Net revenue rose by 33% to £3.1m including £0.3m in respect of special non-recurring dividends received.
- Ordinary dividends paid and proposed amount to 5-4p (1978: 4-5p) per stock unit. In addition a special dividend of 0-6p per unit is proposed.
- The value of net assets at 30th November 1979 was £67.3m of which liquid resources amounted to £2.3m. UK assets represented 80% of the total.

North America and Australia were the principal areas in which overseas investments were held.

• The company continues actively to seek investment in specialist companies at home and abroad with specific market or technology opportunities for growth. Copies of the accounts are available from The Great Northern Investment Trust Limited, 90 Mitchell Street, Glasgow G1 3NQ.

Record year for Charles Baynes

Backward blade manufacturer, Charles Baynes, reports that turnover for 1979 reached £2m against £1,977m. Pre-tax profits went up from £296,000 to £408,000 while earnings a share were 6.20p against 5.50p. The gross dividend is raised from 0.74p to 1.43p.

Simons

Over 69.96pc has been acquired by Francis & Nicholls. Application to the court for a winding up order under rule 163 (2) may be submitted.

Grimshaw Holdings

Newsum Investments has acquired a further 35,000 shares making 218,000 shares.

DECCA

Board of Decca announces that sale of certain assets and activities of record in relation to Polygram was completed and the company is now a wholly owned subsidiary of shareholders at extraordinary general meeting. Also approved was sale of certain investment relating to record investments related to Decca.

CREST NICHOLSON

For longer term, group has a contract with the Government as a tenant of its income. For shorter term, in absence of deterioration in economic conditions, chairman expects further significant growth in current year.

J. J. LOVELL (HOLDINGS)

Making predictions is difficult given uncertainty of international and national scenes, but chairman says that provided events are not drastically unkind, board believes that the group will continue during current year.

JOS HOLDINGS

Net revenue of £428p (0.47p) plus 0.42p special dividend as a result of special non-recurring dividend received. Gross income for half year to January 31, £868,000 (£100,000). EPS 2.01p (1.21p). NAV per share 71.2p (65.5p).

THOMAS BORTWICK & SONS

Company has completed the acquisition of James Blue for £750,000 cash.

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Making predictions is difficult given uncertainty of international and national scenes, but chairman says that provided events are not drastically unkind, board believes that the group will continue during current year.

JOS HOLDINGS

Net revenue of £428p (0.47p) plus 0.42p special dividend as a result of special non-recurring dividend received. Gross income for half year to January 31, £868,000 (£100,000). EPS 2.01p (1.21p). NAV per share 71.2p (65.5p).

DECCA

Board of Decca announces that sale of certain assets and activities of record in relation to Polygram was completed and the company is now a wholly owned subsidiary of shareholders at extraordinary general meeting. Also approved was sale of certain investment relating to record investments related to Decca.

CREST NICHOLSON

For longer term, group has a contract

[illegible]

City Offices Hampton & Sons

01-236 7831

Stock Exchange Prices Quiet start to account

ACCOUNT DAYS: Dealings Began, Feb 25. Dealings End, March 7. Contango Day, March 10. Settlement Day, March 17
\$ Forward bargains are permitted on two previous days

IDC

design and build cost effective
developments for industry and commerce

IDC Limited, Stratford-upon-Avon, CV37 9JH

1979-80 High Low	1979-80 Price Ch'ge	1979-80 Dividend	1979-80 Yield	1979-80 P/E	1979-80 Company	1979-80 High Low	1979-80 Price Ch'ge	1979-80 Dividend	1979-80 Yield	1979-80 P/E	1979-80 Company	1979-80 High Low	1979-80 Price Ch'ge	1979-80 Dividend	1979-80 Yield	1979-80 P/E	1979-80 Company	1979-80 High Low	1979-80 Price Ch'ge	1979-80 Dividend	1979-80 Yield	1979-80 P/E	1979-80 Company	
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COMMERCIAL AND INDUSTRIAL																								
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COMMONWEALTH AND FOREIGN																								
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LOCAL AUTHORITIES																								
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FOREIGN STOCKS																								
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PERSONAL CHOICE

Broadcasting Guide

Edited by David Sinclair

TELEVISION

BBC 1

6.40 am Open University: Ontario-Land Use. 7.05 Chemistry of Carbon Compounds. 7.30 Into the Sea. Close down at 7.55.

9.30 For Schools. Colleges: Bath-show (r). 9.55 Maths-in-a-Bus. 10.15 Look and Read. 10.38 Resource Unit 143. History. 11.00 Watch (r). 11.17 Television Club (r). 11.38 Shakespeare in Perspective. 11.45 News. 12.05 pm General Studies (r). Close down at 12.30.

12.45 News. 1.00 Pebble MML, including Family Matters.

1.45 Trumpton: Puppet story (r). 2.00 You and Me: That's Me (r). 2.15 For Schools. Colleges. Close down at 3.00.

3.25 Debrau Siam: Learning Welsh.

BBC 2

6.40 am Open University: 6.40 Clean Air Success. 7.05 Scientific Discoveries. 7.30 Who Needs Maths. Close down at 7.55.

10.05 Servants of the Public? Series on democracy at work (r). 10.30 Lost for Words: Help for speech-impaired people (repeat from Sunday).

11.00 Play School: Same as BBC 1 at 3.55.

11.25 Write Away: Letters of complaint (repeat from Sunday).

11.40 It's a Great Life: Wardie-worth (repeat from Sunday). Close down at 12.05.

THAMES

9.30 For Schools: Experiment (Biology). 9.47 Seeing and Doing (Birds). 10.04 Reading with Lenny. 10.16 Work (Equal Opportunity). 10.35 The English Programme. 11.05 Leapfrog. 11.22 Look Around (Country-side). 11.30 The Land.

12.00 Paperplay: Susan Stranks making end-up picture cars. 12.10 pm Pippin.

12.30 The Sublimes: How Australians coped with the Second World War.

1.00 News with Peter Sissons.

1.30 Take the High Road: Drama serial set in Scotland. Tragedy strikes Glendarrach.

BBC 1

3.55 Play School: The story is Joe's Bouncing Feet by Ruth Graft. 4.20 Veggie Bear: Cartoon (r). 4.25 Jackanory: Gemma Jones continues The Robbers. 4.40 Isla and the Farm on the Hill: Autumn.

5.05 John Craven's Newsround. 5.10 Grange Hill: Dares can be made. 5.15 News. 5.40 News with Peter Woods. 5.55 Nationwide: Glyn Wormip. 6.05 The Osmonds: I thought they'd retired. Oh, well... 6.25 The Rocker: Wiles: Never send a Boy King to Do a Man's Job (see Personal Choice).

6.40 News with Kenneth Kendall. 6.55 Pigeon and Blood: Reap and sow. The whining Ruth succumbs to Ian McKeller's charms, if that's the right word (I suspect he's a management mole). Only two more episodes to go.

BBC 2

2.30 pm Dilemmas, with Professor Bernard Williams. 3.00 Propaganda with Facts: The cinema and public opinion. 3.30 A Woman's Place? What About the Kids? Close down at 3.55.

4.50 Open University: 4.50 Maths Maps. 5.15 Earth Materials. 5.40 Harold Lloyd: Silent film comedy. 6.05 The Waltons: The Moon-shiner. 6.50 The World About Us: The Challenge of the Ganga. Sir Edmund Hillary carries on up the Ganges in a jet-bo.

Regions

BBC 1 VARIATIONS: Wales: 10.38 am 1.10. 1.15. 1.20. 1.25. 1.30. 1.35. 1.40. 1.45. 1.50. 1.55. 2.00. 2.05. 2.10. 2.15. 2.20. 2.25. 2.30. 2.35. 2.40. 2.45. 2.50. 2.55. 3.00. 3.05. 3.10. 3.15. 3.20. 3.25. 3.30. 3.35. 3.40. 3.45. 3.50. 3.55. 4.00. 4.05. 4.10. 4.15. 4.20. 4.25. 4.30. 4.35. 4.40. 4.45. 4.50. 4.55. 5.00. 5.05. 5.10. 5.15. 5.20. 5.25. 5.30. 5.35. 5.40. 5.45. 5.50. 5.55. 6.00. 6.05. 6.10. 6.15. 6.20. 6.25. 6.30. 6.35. 6.40. 6.45. 6.50. 6.55. 7.00. 7.05. 7.10. 7.15. 7.20. 7.25. 7.30. 7.35. 7.40. 7.45. 7.50. 7.55. 8.00. 8.05. 8.10. 8.15. 8.20. 8.25. 8.30. 8.35. 8.40. 8.45. 8.50. 8.55. 9.00. 9.05. 9.10. 9.15. 9.20. 9.25. 9.30. 9.35. 9.40. 9.45. 9.50. 9.55. 10.00. 10.05. 10.10. 10.15. 10.20. 10.25. 10.30. 10.35. 10.40. 10.45. 10.50. 10.55. 11.00. 11.05. 11.10. 11.15. 11.20. 11.25. 11.30. 11.35. 11.40. 11.45. 11.50. 11.55. 12.00. 12.05. 12.10. 12.15. 12.20. 12.25. 12.30. 12.35. 12.40. 12.45. 12.50. 12.55. 1.00. 1.05. 1.10. 1.15. 1.20. 1.25. 1.30. 1.35. 1.40. 1.45. 1.50. 1.55. 2.00. 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Unemployment
Unemployment
day showed the
number of job
years, and

Worst job

in the United Kingdom was 1,488,930 on an adjusted basis. The figures may have been worse by the effect of the steel strike, but there is a strong indication of a number of jobless people sharply throughout the country.

number of unemployed workers regarded as the indicator of the way that the economy is moving, fell to its lowest level in 10 years with successive months showing a steady drop in demand for labour.

The figures give added weight to internal government claims that the credit crunch may be the first quarter of a recovery. It seems that unemployment is set to rise in the early months unless there is a significant increase in

Recover

...the Engineering Federation dinner that even a decade needed before the was really strong hinted that the Gov was likely to take action to help com which would otherwise the effect of the steel stocks and stock relief voluntary rundown a result of the strike many companies will get little, if any much larger tax bills. Some may even be repay relief already in some cases.

Chancellor also
whether the Governor of
of England, M
Richardson, is to join
Economic Develop
Council, the tripartite
Government

ter rivals

Wings
Rick Brogan,
x,
shire, Feb 26
was really no doubt
would win the down
identical primary here
sident Carter was con
pected to come first
sen Edward Kennedy
of California, third.
question was, wheth
sney and Mr. Brown
enough votes to con
challenge to the
claim tomorrow, only
the fight is, only
inning and they will
down the road tri
ent, where there is
next week.

and really typical of the states, and that to better in industrial backwardness or in the South. It will really mean is to favor present high taxes, not last and this campaign can survive the election and the electorate will rally to their support.

Among the Republican leaders are the former Governor, and Mr. George, a Congressman from the State, and a neck-and-neck race between the Senator Howard and Congressman Johnson for second place.

Political calculations are rather impossible, but it is more than likely that he would

month
a vaccine, and
exits right
might emerge
Bush

...early Mr Bush or
...may triumph among
...neither of them
...race against the
...November.

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